

Monday, February 4, 1985

Advertising Age

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Pizza stardom

Martin Mull (top) and the MacKenzie Brothers help Pizza Hut travel the celebrity route in a new campaign, the first from Chiat/Day, Los Angeles. (See story on Page 70.)

Last Minute News

Scali plucks chicken chain's account

NEW YORK—Scali, McCabe, Sloves has won the \$10 million account of Bojangles of America, Charlotte, N.C. The chicken and biscuit fast-food chain, a subsidiary of Horn & Hardart, formerly had its account at McDonald & Little, Atlanta.

LC&F quenches desire for cosmetics business

NEW YORK—Del Laboratories has named Laurence, Charles & Free as agency for Quencher cosmetics. LC&F already handles Del's Sally Hansen nailcare products and Flame Glow cosmetics. Marschalk Co. previously handled the Quencher account, which spent \$3 million in 1984.

Badillo grabs, farms out Puerto Rico advertising

SAN JUAN, P.R.—Badillo/Compton has been named agency of record for Puerto Rico. The agency last year handled advertising to elect the U.S. (Continued on Page 8)

Colgate's drilling hits another nerve at P&G

By NANCY GIGES

NEW YORK—Colgate-Palmolive has its best shot in years to snatch the lead in the \$1 billion dentifrice category from archrival Procter & Gamble.

Colgate toothpaste is within three share points of P&G's Crest, according to warehouse withdrawal figures for December.

Last summer, the gap between the two brands exceeded 10 points.

A Colgate comeback would mean the brand would return to the leadership position for the first time in almost 30 years. It had been in first place until Crest won the American Dental Assn. seal in 1955.

That enabled the P&G brand to skyrocket to the top spot, where it has remained.

For P&G, the toothpaste battle is another instance of the consumer-goods giant having to fight fires rather than prevent them. Just after putting forth its master plan to stop the leaks in its diaper business (AA, Jan. 21), the Cincinnati-based company now must turn its attention to the squeeze on its toothpaste operation.

While other brands have more or less held their market shares, P&G has failed so far to stop the steady erosion of Crest.

P&G was late to add a gel line extension, and more recently the company's rush to introduce a pump dispenser has been sidelined by production problems.

According to the December figures, Crest has fallen to a low of 31% market share, down five points from six months earlier.

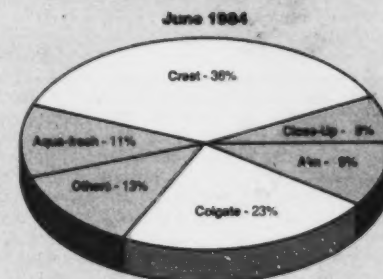
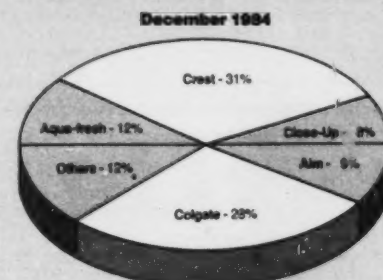
Most of Crest's lost share has gone to Colgate. For the December period, Colgate toothpaste held 28% of the market.

Figures not yet available from A.C. Nielsen Co., measuring product movement off retail shelves for the November-December period.

(Continued on Page 70)

Toothpaste market shares

From June to December, Colgate-Palmolive whittled Procter & Gamble's 13-point lead in the dentifrice market down to three percentage points. Source: Advertising Age



Miller, A-B take to the country with latest ads

By SCOTT HUME

"Miller Time" will be replaced with a country beat and a patriotic theme, but Anheuser-Busch already has a preemptive strike ready.

Miller Brewing this week will unveil for its distributors a new campaign for its struggling flagship brand, High Life, created by J. Walter Thompson USA, New York. According to sources, the new commercials are set to the song "American Made," a hit last year for country music quartet, the Oak Ridge Boys. JWT has modified the lyrics to give the campaign an "American brewed" theme with heavy emphasis on product quality. The Oak Ridge Boys themselves do not sing or appear in the spots, these sources say.

Miller executives declined comment on the report and it is not known when the new High Life spots will break, although some

sources suggested it might be as early as Feb. 9.

Meanwhile, Anheuser-Busch, which lately has shown an uncanny ability to anticipate Miller's advertising strategies, has prepared its own batch of new patriotic commercials that could break before the new High Life creative hits the air. As a result, JWT's new tack for Miller may come across merely as "me-too" advertising.

A-B exec vp Michael Roarty last week said the nation's No. 1 brewer will expand its "corporate quality" campaign that he said "emphasizes the long-standing high quality of Anheuser-Busch's American-made beers."

The quality campaign consisted of a 90-second spot showcasing A-B's brand lineup (AA, Dec. 10) that was seen most recently during the Super Bowl pregame show Jan. 20. New tv executions of the quality message now will be added, Mr. Roarty said.

(Continued on Page 66)

Creative refocus at Burnett

By SCOTT HUME

The organizational changes announced last week at Leo Burnett Co., Chicago, resulted from what president-ceo John Kinsella called "a desire to 'young-up' the company" and give creatives a higher profile.

One change involved the 56-year-old Mr. Kinsella himself. He continues as president-ceo, but his former position as chairman has been assumed by Norman Muse. Mr. Muse, 50, has been vice-chairman and chief creative officer.

"Our corporate goal always has been to produce superior advertising, and we thought that one of the two top officers should be from the creative department," Mr. Kinsella said of the chairmanship shift.

"We also thought it important to get some of the younger execs more involved and prepare the company and them for the future." (Continued on Page 68)

NEWSPAPER

Radlin scores him. It's

\$1

WASHINGTON DC 20014
4520 EAST-WEST HRY #600
SRI ACQUISITIONS
CONGRESSIONAL INFO SERVICE
DC20014CONGLI
FMEF

Gannett Co. registers big coup in Des Moines

By GARY LEVIN

DES MOINES—The sale of the *Des Moines Register*, which began with antagonism in November, ended last week in agreement.

Advertiser and agency reaction to Gannett Co.'s acquisition of the *Register* and three other newspapers was decidedly low key, but hopeful. Those contacted expressed little concern that a change of ownership will affect their business with the 240,000-circulation *Register*.

"People here were hopeful that if the paper was sold to an outside organization, it would be a group with enough stature to bring something better to the party," said William Fultz, exec vp of Creswell, Munsell, Fultz & Zirbel, a major Des Moines agency. "Gannett may offer the paper dimensions it didn't have before."

In acquiring the *Register*, Gannett is adding what its executives termed "a prestigious newspaper," whose daily circulation will make it the largest of the 87 local and metropolitan dailies the company owns. The transaction is expected to be completed in June.

At a press conference here Jan. 31, David Kruidenier, chairman of the Des Moines Register & Tribune Co., announced the sale of the *Register*, Jackson (Tenn.) *Sun* and weekly papers in Independence and Indianola, Ia., to Arlington, Va.-based Gannett for \$200

million. The purchase price nearly doubled the initial offer made for the entire company Nov. 5 by Dow Jones & Co. and a group of Iowa investors, including Register & Tribune officers Michael Gartner and Gary Gerlach. Neither their positions nor the future post of Mr. Kruidenier have been determined.

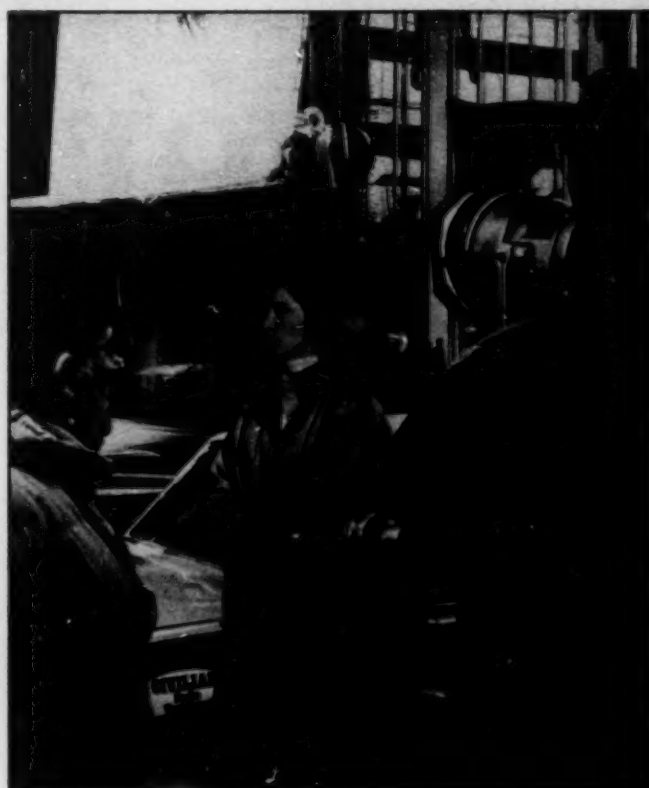
The Register & Tribune board had rebuffed the original bid, touching off widespread speculation over the internal politics of the company and who would eventually get the winning offer.

Gannett was not mentioned in a list made public as companies to whom the Register & Tribune board would like to sell the paper. But as reported earlier, Gannett was among the major players in a bidding war that began after the Dow Jones bid (AA, Nov. 15).

Sources said the other bidders were Cox Enterprises, Atlanta; Hearst Corp., New York; Lee Enterprises, Davenport, Ia.; Morris Communications, Augusta, Ga.; Tribune Co., Chicago, and the Washington Post Co.

Besides unloading the *Register*, the company will sell WQAD-TV, an ABC affiliate in Moline, Ill., to the New York Times Co., for an undisclosed price. Published reports have set the figure at \$24 million.

The sale of the company's remaining properties—KHON-TV, Honolulu; KAHN-TV, Wailuku, Hawaii; and four radio stations in Portland, Ore., and Madison, (Continued on Page 66)



Clearing the fog

A few months ago, reports were circulating that Bruce Jenner was about to replace Stefanie Powers as spokesman for London Fog. Now the word is that Mr. Jenner will join, not replace, Ms. Powers in that role. If anyone had doubts that Ms. Powers wasn't out, all they had to do was walk up Park Avenue to the Lever Bros. building last week where she was shooting the spring, 1985, London Fog tv spots. She was off to Mohunk, N.Y., the next day for a second round of shooting with agency AC&R. Photo by Arnie Adler.

Highlights

Goodyear Tire & Rubber Co. has devised an eight-market test to determine whether new, long-form "infomercials" are more effective than 30-second tv spots. See Page 6.

A billion dollars—that's how much ad revenue is at stake when a Senate subcommittee this week allots two hours of its time to analyzing whether beer and wine ads on radio and tv are leading America and its youth down the road to alcoholism. See Page 10.

When Leonard Klompus last month quit the presidency of the largest syndicator of collegiate sports, TCS/MetroSports, he also quit what many observers say is a deeply troubled industry. See Page 24.

Learning from mistakes is one of the keys to attaining success. That's the gospel according to Henry Rogers, author of "Rogers' Rules for Success." See Page 32.

Geo. A. Hormel & Co. has made a move to expand its presence in canned meats and stews by going national with a four-item line of canned Great Beginnings meat and gravy products. See Page 64.

The latest public service campaign from the American Assn. of Advertising Agencies, via Fal-

lon McElligott Rice, Minneapolis, takes a lighter approach to the advertising industry's image. See Page 65.

CORPORATE CLOSEUP

A.H. Belo Corp., it so happened, was in the right place at the right time with the right deal a year ago when it bought Corinthian Broadcast Group. And industry observers, caught off guard when Belo made its move, now are saying with a tone of assurance, "Watch out—Belo has only begun." See Page 4.

FORUM

Mary Joan Glynn, vp-marketing for Bloomingdale's, tells all about how tv's retail tale "Berenger's" went wrong. See Page 16.

INTERNATIONAL

Thermal underwear, fur coats, plaster of paris (for casts) and soup sales are soaring in Europe as it shivers through its coldest, snowiest winter in decades. See Page 38.

For tv viewers all over the world, Paul Hogan, a bridge rigger-turned-comedian, is gradually replacing the koala bear and the kangaroo as the most familiar symbol of Australia. See Page 38.

Procter & Gamble has adopted a new "get tough" approach in Canada to combat old rumors linking the company to the Church of Satan. See Page 38.

VIDEOTECH

In a continuing struggle to sell more pay tv subscriptions, cable marketers are offering a package of several pay channels at heavily discounted monthly fees. See Page 44.

COMING THURSDAY

SPECIAL REPORT

Shakeout has devastated the ranks of personal computer hardware and software marketers. Now experts say it's the retailers' turn. Despite the gloomy predictions, however, optimism reigns among franchised chains and independent retailers alike.

REGULAR FEATURES

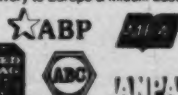
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B&W 'Coins' niche; Players tries new filter

By WILLIAM F. GLOEDE

The "niche-ing" of the cigaret business is expected to intensify again this week. The industry's major players will begin breaking and testing new products designed to lodge themselves in small, but profitable, market mini-segments.

Brown & Williamson Tobacco Co., Louisville, Ky., is rolling national with the nation's first generic-price smoke made especially for sale in vending machines. The new smoke, called Coins, comes in 85mm regular and light styles.

It is being manufactured and distributed for B&W by a company called NVBG, Oakland Park, Fla.

Vending-machine makers see Coins as a potential answer to steadily declining sales.

The brand is "an economic breakthrough that will enable us to increase our profits," said Art Fein, president of the National Coin Machine Institute, Fort Lauderdale, Fla.

B&W believes Coins "provides an ideal solution to declining vending sales," added Ivo Otte, director- (Continued on Page 66)

Quaker gets bids for agency

AdCom for sale?

By VALERIE MACKIE

CHICAGO—The bidding to acquire AdCom, Quaker Oats Co.'s \$43 million in-house agency, is heating up. "We're not soliciting offers, but they are coming in," a Quaker spokesman said. Several agencies apparently are interested in buying the agency.

Agency sources here said they had heard AdCom had been in contact with Saatchi & Saatchi Compton Worldwide and that

Quaker appeared to be interested in selling the operation.

Saatchi & Saatchi has been talking to several shops in the Chicago area, including Don Tennant Co. (AA, July 19), in an effort to open an office here.

The rumors that AdCom might be on the block first surfaced two months ago. At that time, Quaker executives indicated they were not interested in selling because the operation has been profitable. In 1983, (Continued on Page 68)

IS ADVERTISING
A REFLECTION OF SOCIETY?
OR IS SOCIETY
A REFLECTION OF ADVERTISING?

ADVERTISING AGE is the only publication that provides a comprehensive, up-to-date, and authoritative source of information on the advertising industry. It covers all aspects of the industry, from the latest trends and developments to the most current statistics and figures. It is an essential resource for anyone involved in advertising, whether as a professional or a student. The publication is published twice weekly, except once a week the first week in January, the fourth week in November and the fourth week in December. It is available in print and microfilm formats. For more information, contact the Circulation Department at 740 Rush Street, Chicago, IL 60611.

CORPORATE CLOSEUP

Luck is the residue of A.H. Belo's design

By TOM BAYER

DALLAS—In retrospect, A.H. Belo Corp. executives may be feeling lucky.

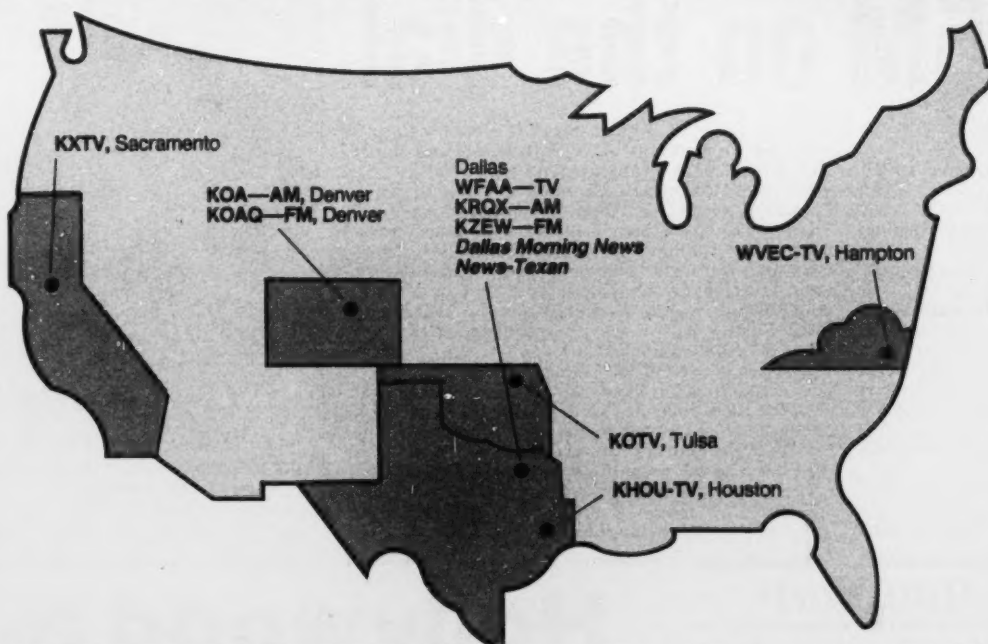
A year after their surprise acquisition of the Corinthian Broadcast Group, the company's managers are more convinced than ever that there's no way the same deal could be cut today. Changes in the media market since then would have prevented it.

Belo, it so happened, was in the right place at the right time with the right deal. And industry observers, caught off guard when Belo made its move, now are saying with a tone of assurance, "Watch out—Belo has only begun."

Founded in 1842, Belo came from relative national obscurity in 1983 to stun the media world with the \$606 million purchase of the six tv stations in Dun & Bradstreet Corp.'s Corinthian group.

The acquisition, observers believe, signifies a growing aggressiveness by a company previously best known for publishing the *Dallas Morning News* and running WFAA-TV here. With a solid list of print and broadcast properties now in hand, Belo figures to have deeper regional and national impact in the sometimes lucrative media world. Its ranking as the nation's 41st-largest media company in 1983 (AA, June 28) is sure to rise with the tv stations in tow.

Company officials said the Corinthian acquisition probably is not the last major strike in its at-



A.H. Belo Corp.'s acquisition of Corinthian Broadcast Group helped widen the company's geographical reach but keeps Belo's interests located primarily in the Sunbelt.

tempt to grow. The Federal Communications Commission's recent move to increase the limit on tv station ownership makes buyouts easier. Instead of seven each of tv and of am and fm radio stations, the FCC now conditionally allows individual companies to own 12 of each.

Belo continues to evaluate its opportunities against a set of criteria it developed in 1981 after going public: Target growth in the Southwest, West and mid-South; concentrate first in broadcast because of cash-flow generation, and focus on 20 markets growing at rates above the national average.

The Corinthian purchase demonstrates how serious Belo is in this wave of growth. Dun & Bradstreet had vowed to sell the properties separately, but it took Belo just nine days to negotiate for and win the whole group, including a prized Houston station.

Besides the 100-year-old *Morn-*

ing News and ABC-affiliate WFAA, Dallas' No. 1 tv station, Belo came into the deal with some suburban newspapers and a small group of broadcast properties.

The broadcast portfolio, after the acquisition and the necessary divestitures to comply with the old FCC ownership rule, comprises WFAA; KHOU-TV (CBS), Houston; KXTV (CBS), Sacramento; Stockton, Cal.; WVEC-TV (ABC), Hampton-Norfolk, Va., and KOTV (CBS), Tulsa.

Belo also owns radio stations KRQX (am) and KZEW (fm) in Dallas and KOA (am) and KOAQ (fm) in Denver.

The acquired stations were—and remain—a strong second or third in their markets, except for KXTV, which sometimes runs fourth in Sacramento.

Reflecting on the acquisition, president Robert Decherd said Belo had flirted with buyouts since the company, owned for many years by Dallas' Dealey family, went public in 1981.

He knows now, though, that deals Belo almost made would have been less than ideal because they would have precluded the Corinthian acquisition.

Barry Kaplan, a media analyst with Bear Stearns & Co., New York, called Belo his "favorite media company" and pegged it as "the Cap Cities of tomorrow." (Capital Cities Communications, New York, the 16th-largest media company, owns Kansas City's daily newspapers, Fairchild Publications.)

(Continued on Page 56)

WHO "WHEATED" AMERICA'S APPETITE?

The same people who would like to put your upcoming success in headlines. The same techniques that developed the new strategy for The Wheat Industry Council, put Baking Soda in more than thirty million refrigerators, developed new Alka Mints for Alka Seltzer and new S.O.S. Oven Pads... can work for you.

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ADWATCH

Consumers' advertising recall was all wet over the holidays

By SCOTT HUME

It's little wonder the holiday season was a disappointment for retailers: Consumers who were expected to be hungry for the latest in expensive appliances and apparel appear instead to have been merely thirsty.

That's right. Despite all the money poured into advertising for videocassette recorders, computers, automobiles, under-cabinet coffee-makers and the like, the advertising categories showing the most significant changes in December in ADVERTISING AGE's adWatch consumer awareness survey were soft drinks, beer and wine.

The most interesting developments were in the soft-drink category, where Coke and Pepsi have locked bottlecaps in a battle for supremacy all year. Pepsi's advertising awareness was riding high through the first half of the year on the strength of Michael Jackson and its "New generation" campaign. In May, for example, 39% of the respondents said Pepsi's ads came to mind first, while only 20% named Coke.

Coke has battled back, regaining the No. 1 spot once again in the November survey.

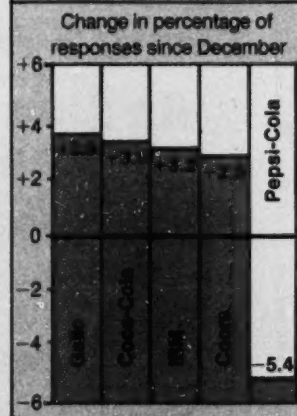
In December, Coke's tv advertising barrage nearly blitzed Pepsi out of the game.

That five-week network blitz, which kicked off Nov. 2, included a pool of 21 different spots for Coca-Cola's soft-drink line (AA, Nov. 1). Company officials said that, on average, a Coke product

December winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind?

Note: A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.



spot would run once every three hours.

That cost the bottler a bundle, but no matter—consumers noticed.

In December, 34.1% of the 1,253 adults surveyed named Coke when asked which soft-drink advertising first came to mind. That represented a 3.5 percentage-point increase

compared with results from November, a month in which Coke's score had risen 4.4 points. Spokesman Bill Cosby's insistence that Coke is less sweet than Pepsi appears to have caught viewers' attention.

Pepsi, meanwhile, took it on the chin in December. It retained the No. 2 spot, of course, but its share of first mentions dropped 5.4 points to 24.7%, its lowest since January, 1984.

Holding on to the No. 3 slot was 7UP, with 6.1% of first mentions. That's the same share it held in November, despite December's return of longtime spokesman Geoffrey Holder in some holiday-themed tv spots.

The effects of Coca-Cola's tv blitz weren't confined solely to its flagship Coke brand. Taking the No. 4 spot (held in November by Dr Pepper) was Diet Coke, with a 3.4% share.

The No. 5 brand, making its best showing ever, was Coke's Tab, with 2.3% of first mentions. As part of its network blitz, Coca-Cola gave Tab a new campaign, themed "Tab's got sass," replacing "Let's taste new Tab."

And the No. 6 brand in ad awareness? Coca-Cola's Sprite. Its 2.2% of first mentions may not sound like much, but it was a better score than Diet Pepsi could muster. Who says you can't buy awareness?

The big news in beer advertising awareness was the ascendance of Coors to second place behind traditional

(Continued on Page 28)

MEDIAMOVES

'Free Press' plans expansion

DETROIT—The *Free Press* will not fold despite stiff competition from the *News* and is considering expanding production facilities, according to Alvah H. Chapman Jr., chairman of Knight-Ridder Newspapers.

Both the *News* and *Free Press* are losing money despite circulation gains that make them, respectively, ninth and 10th largest in the U.S., analysts say.

'Maison & Jardin'

Conde Nast International, New York, will change its *Maison & Jardin International* to *Vogue Decoration*—MJ International with its first 1985 issue, due March 15. The worldwide quarterly continues under the supervision of *Maison & Jardin's* Paris staff.

Associated Press

Associated Press AP Network News operation, Washington, plans a 10-part series of 60-second featurettes on Grammy Award nominees for its subscribing radio stations, starting Feb. 15. The winners will be announced live on CBS-TV Feb. 26.

Billboard

Billboard Publications' Billboard Information Network, New York, has introduced Territorial Rights Reports, a music industry database on the global copyrights for songs as they break on the weekly Billboard hit record charts. Billboard Information Network's subscribers in 30 territories (e.g., Europe, Latin America, Asia) immediately will learn each song's copyright holder,

contact person, address, phone number and telex number, territory by territory.

'WOOD'

Better Homes & Gardens WOOD has doubled its rate base to 300,000 just eight months after beginning regular six-times-a-year publication. A b&w page will cost \$7,560 effective with the April issue; a color page will be \$10,800.

'Better Homes & Gardens'

Better Homes & Gardens plans an advertorial section on computers for its June issue. The section is to be written by the editors of *PC Retailing*. The section will be distributed to 4.3 million high-income subscribers of *BH&G* in 33 metro areas. A b&w page costs

\$23,330; a color page is \$29,650. Ad closing is March 1.

'Compute!'

Compute!, Greensboro, N.C., will bring out its first special issue April 9, called *Compute!'s Apple Applications*, for Apple personal computer users. Rate base is 150,000, with a b&w page \$2,495 and a color page \$3,695. Plans call for a second issue later in '85 and four in '86. Separately, *Compute!* is the latest major computer magazine to cut its rate base, reducing it 16.7%, to 350,000 from 420,000, effective Jan. 1.

Yankee Publishing

Yankee Publishing, Dublin, N.H., which publishes *Yankee* magazine, *New England Business* and the *Old Farmers' Almanac* has halted publication of the 2-year-old *Collectibles Illustrated* with the Jan.-Feb. issue and is expected to sell the 45,000-circulation, glossy

bimonthly within the next 60 days. A company spokesman declined to say if *CI* had been losing money, although sources said a format change, necessary to lure more advertisers, was vital. Prospective buyers are said to include a group comprising the former editor, Charlie Jordan; his wife, Donna, who was assistant to the editor; Gene Ehler, ex-ad director, and Kim Nilsen, who was associate editor. The proposed price tag for *CI* was not disclosed.

'Metropolitan Home'

Meredith Corp.'s *Metropolitan Home* plans a "Summer style" theme issue in June, with store-wide promotional tie-ins at Neiman-Marcus department stores in Chicago, Dallas, Los Angeles and San Francisco. Ad rates are \$12,620 for a b&w page and \$17,850 for a color page. Ad closing is March 20.

Magazines boast big gains

NEW YORK—The final figures for 1984 magazine advertising performance (AA, Jan. 28) show that the rich got richer.

The major titles usually inhabiting the ranks of the top dozen in ad revenues and pages made it again. Many scored double-digit gains. Quite a few also set individual records in a year when the industry over-all broke records for revenues—\$4.67 billion, up 16.5%—and ad pages—153,803, up 8.5%.

In fact, of the 137 magazines measured by Publishers Information Bureau, all but 15—a whopping 89%—reported higher ad revenues in 1984 than in '83.

Among the few suffering declines: *Discover*, *Penthouse*, *Playboy*, *Prevention*, *Us* and *Vanity Fair*.

Magazines that ran up the highest percentage gains in revenues (for a full year-to-year comparison): *American Health*, up 152.2%; *Connoisseur*, up 88%; *Harper's*, up 82.9%; *Country Living*, up 71.5%; and *Southern Accents*, up 69.9%.

In 1984, as in '83, the hottest categories for ad revenues, achieving the largest percentage gains, were business, up 23.7%, and fashion-service, up 22.2%. Some examples: *Glamour*, up 20.4%; *Harper's Bazaar*, up 30.1%; *Inc.*, up 39.1%, and *Venture*, up 54%.

In revenues, perennial first-place finisher *Time* again was No. 1, at \$335.6 million, up 12.1%. The rest of the top dozen follows, with their revenues, percentage gains and their '83 finishes:

2. *TV Guide*, \$304.3 million, up 12.9% (2); 3. *Newsweek*, \$247.1 million, up 13% (3); 4. *People*, \$232.9 million, up 32.8% (5); 5. *Sports Illustrated*, \$230.8 million, up 26.1% (4); 6. *Business Week*, \$184.8 million, up 18.3% (6); 7. *Good Housekeeping*, \$133.3 million, up 4.9% (7); 8. *Family Circle*, \$130.7 million, up 10% (8); 9. *Better Homes & Gardens*, \$126.1 million, up 15.7% (9); 10. *Reader's Digest*, \$111.9 million, up 10.1% (11); 11. *Fortune*, \$111.7 million, up 15.1% (12); 12. *Woman's Day*, \$110.4 million, up 4.5% (10).

In ad pages, *Business Week*, usually first, was at the top again, with 4,972 pages, up 7.1%. The rest of the top 12 closely followed earlier estimates (AA, Dec. 31). Following are the titles, their pages, percentage gains and '83 finishes:

2. *People*, 4,063, up 17.9% (4); 3. *Forbes*, 3,834, up 12.7% (5); 4. *TV Guide*, 3,800, up 4.6% (2); 5. *The New Yorker*, 3,539, down 2.8% (3); 6. *Fortune*, 3,486, up 7.4% (6); 7. *Vogue*, 3,466, up 11.6% (7); 8. *Sports Illustrated*, 3,035, up 10% (10); 9. *Newsweek*, 3,003, up 2% (8); 10. *New York*, 2,943, up 0.8% (9); 11. *Time*, 2,817, up 4.2% (11); 12. *Los Angeles*, 2,528, up 3.2% (12).

In the Sunday newspaper category, which PIB ranks separately, *New York Times Magazine* had ad revenues of \$111 million, up 21.8%, and 4,736 ad pages, up 11.7%. The two mass-distributed titles had a down year: *Parade*, \$157.3 million (down 6.7%) and 640 pages (down 14%); and *Family Weekly*, \$87.1 million (down 15.1%) and 693 pages (down 11.2%).

adWatch

(Continued from Page 4)

tional leader Budweiser. Coors' ads came to mind first for 10.5% of the respondents, a 2.8 percentage-point increase from November.

Anheuser-Busch's Budweiser stayed right where it had been in November, with an even 14% of first mentions. But because Bud is a truly national brand, its lead remains deceptive. In the South Central, North Central and West regions where both brands are available, Coors' and Budweiser's advertising are fractions of a percentage point apart (with Coors ahead in two of those three regions).

When Coors expands distribution to New England this spring, there should be a real horse race for awareness leadership.

Miller's Lite beer held third place in December with a 7.8% share, but its High Life brand dropped to the No. 5 spot with 6.3%. Stroh was No. 4 with 6.7%.

Gallo advertising's quality message got through in time for holiday parties. Awareness of the brand's advertising increased 3.9 points in December, giving Gallo a 12.8% share of first mentions.

That moved it once again into the No. 1 spot, ahead of Riunite. That brand's ad awareness also increased last month, but not as dramatically. It moved up from 10.2% to 11.3%. Paul Masson moved up to third place with 3.2%.

AdWatch is a joint project of Ad Age and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name the advertising in a variety of product categories that first comes to mind from all seen, heard or read in the previous 30 days.

In December, 1,253 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variations.

Among other noteworthy results from the December survey:

- Has Burger King exhausted the equity of its "broiling vs. frying" attack? Each time it has returned to that theme in the past, its ad-awareness share has increased, although a little less significantly each time.

Its latest creative executions for that point of difference (including one spot in which a group of young girls moan in mock revulsion upon learning that McDonald's "fries" its burgers) brought hardly a ripple of response. BK's share of first mentions in December in the fast-food category was 14.4%, a statistically insignificant increase of 1.2 percentage points and not enough to get it out of the No. 3 spot.

Wendy's advertising, in a lull before the January baked-potato campaign, also showed a small decline in awareness. With 16% of first mentions (compared to 18.7% in November), it remained No. 2.

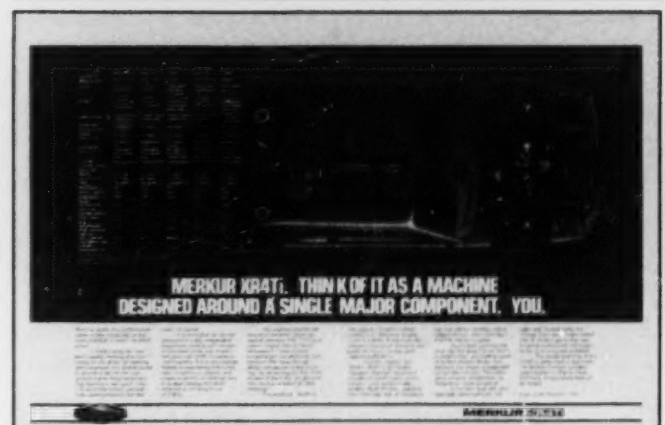
McDonald's, slowly rebuilding its once-formidable lead in awareness, garnered 40.9% of mentions.

- Burger King even failed to make the top 10 in over-all unaided awareness for the first time in more than a year. When the survey sample was asked which advertising came to mind first, regardless of product category, from all they'd seen, heard or read, the top 10 were, in descending order, Coke, Wendy's, McDonald's, Miller/Lite, Ford, Budweiser/Bud Light, Pepsi, IBM, Chevrolet and Sears.

- In addition to making an infrequent appearance in the top 10, IBM's advertising registered a respectable gain in the computer category. Its awareness share rose 3.2 points to 16.9% in December. That still was less than half the share Apple's advertising received (35.8%).

- From the "Graying of America" file comes an observation from December results in the cosmetics and fragrances category. Advertising for Forever Krystle, featuring over-40 "Dynasty" star Linda Evans, proved more memorable than advertising for Cover Girl with beautiful-despite-her-youth Christie Brinkley. Neither brand made the top five spots in the category, however.

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.



Ford out to make its Merkur

Introductory advertising for the Ford of Europe-built Merkur XR4Ti sets out to establish the import's "serious" German road-car credentials. Young & Rubicam, Detroit, handles.

New owner a match for 'World Tennis'

By STUART J. ELLIOTT

NEW YORK—CBS Magazines' *World Tennis* has a new lease on life, thanks to its sale to Family Media, its vp-publisher believes.

The long-rumored sale (AA, Jan. 10), which occurred Jan. 28, means the money-losing monthly now is in the hands of "a guy with a proven track record of helping magazines that need help," said Francis (Bud) Dealy Jr., who, along with the rest of WT's business and editorial staff, will stay.

The "guy" is Robert Riordan, president of Family Media, whom Mr. Dealy said is "noted as a great circulation person, and if there's a single problem this magazine has, it's circulation." Mr. Dealy said he was "thrilled" and "delighted" by the sale. While terms were not disclosed, sources said they were favorable for Family Media, so that any improvements the company can make would make the deal pay off.

World Tennis, which CBS had owned since 1972, is a distant second in circulation, as well as advertising revenues and pages, to rival *Tennis*. Among the many promotional, editorial and business plans of Peter Diamandis, president, CBS Magazines, to turn it around was a rate-base cut effective in June to 275,000 from 385,000, that would include virtual elimination of newsstand sales.

But sources say Family Media is

likely to keep WT on newsstands, given its redesigned, more graphic covers, one of several changes recently made by new editor-in-chief Neil Amdur. As a result, they said, the rate base might not be reduced.

Why would Family Media, which owns five other titles, including *Ladies' Home Journal*, *Health* and *1,001 Home Ideas*, want such a problem-plagued magazine? "I really think we can do something with it," Mr. Riordan said through a spokesman. "We can have a real impact in the market."

Mr. Riordan noted WT is in "a completely new area of publishing" for Family Media. Thus, it offers the company access to new, lucrative markets such as imported autos, liquor, sportswear, sports equipment. And some Family Media executives have some sports experience; formerly at *Newsweek Inc.*, their duties included work on *Inside Sports*.

The sale of *World Tennis* includes *Tennis USA*, the monthly newsletter of the U.S. Tennis Assn. Under an agreement, WT pays for the newsletter and, in exchange, WT is designated the USTA's membership magazine, sent to its 250,000 members.

WT's sale marked the second time in three months CBS Magazines threw in the towel on a troubled title, following the folding of *Cuisine*. Mr. Diamandis did not return calls to discuss the sale.

Liquor sales still down

By JOHN C. MAXWELL JR.

Once again last year, the liquor industry was down about 1%. About the only items that were up were liqueurs and cordials, up 5.9%, tequila, up 7.4% and brandies, up 3.6%.

Canadian whiskies only rose slightly, 0.4%, but in light of a 4.6% drop in bourbons and a 4.7% drop in scotches, this was a good performance.

With the exception of Irish whiskies, which rose 13.8% year-to-year, brown goods are continuing to decline as specialty products and white liquors pick up the slack. Within the vodka and gin categories, imports were up, which carried the categories, accounting for the year-to-year increases in total gin and vodka. Consumption of domestic products actually fell.

As for rum, imports had a year-to-year increase although not strong enough to carry the entire area. One theory is that the increasing consumption of imported items may be status-related.

Of the best-performing brands, the order of the top five remained unchanged with the exception of Canadian Mist, which moved from fifth place to fourth in 1984, edging past Jim Beam. Bacardi maintained its No. 1 position with a slight sales increase, up 1.7% over 1983. Smirnoff and Seagram's 7 Crown retained their respective No. 2 and No. 3 positions, despite case-sales declines for both. Smirnoff fell 0.9%, while 7 Crown was down 3.6%.

Windsor Supreme moved up two spots to take the No. 6 position from Jack Daniel's.

The largest growth of the top case sellers came from Christian Brothers brandy, up 13%. Other year-to-year double-digit increases were achieved by Popov vodka and Seagram's Crown Royal, up 12.9% and 10.2%, respectively.

In 1983 and 1984, sales figures were revised for Lord Calvert, which is now included in the 1 million-plus ranking. In addition, Baileys Irish Cream liqueur was added to the list as it hit the 1 million case mark in 1984.

The big worry in the industry this year is the \$2 per gallon increase in the excise tax effective Oct. 1, to \$12.50. The industry expects that this will cause a 3%-to-7% decline in sales. However, they anticipate stockpiling by consumers before the increase, and the liquor industry as a whole may not be down more than 3% to 4% in 1985.

Top-selling liquor brands

Brands selling more than one million cases. Source: John C. Maxwell Jr., Laidlaw Ansbacher, New York.

Rank '84 '83	Brand	Company	Nine-liter cases (000)		
			1984	1983	Change
1	1	Bacardi	8,469	8,327	+ 1.7%
2	2	Smirnoff	7,134	7,202	- 0.9%
3	3	7 Crown	5,350	5,500	- 2.7%
4	5	Canadian Mist	4,220	3,912	+ 7.9%
5	4	Jim Beam	4,038	3,940	+ 2.5%
6	8	Windsor Supreme	3,796	3,515	+ 8.0%
7	6	Jack Daniel's	3,755	3,754	—
8	7	V.O.	3,600	3,550	+ 1.4%
9	11	Popov	3,573	3,184	+12.9%
10	10	Seagram's Gin	3,250	3,200	+ 1.6%
11	9	Canadian Club	3,235	3,371	- 4.0%
12	13	Gordon's Gin	2,585	2,585	—
13	12	Gilbey's Gin	2,473	2,598	- 4.8%
14	15	J&B Rare	2,350	2,271	+ 3.5%
15	16	Dewar's	2,300	2,230	+ 3.1%
16	14	Kamchatka	2,282	2,350	- 2.9%
17	17	Gordon's Vodka	2,125	2,100	+ 1.2%
18	18	Black Velvet	2,027	2,000	+ 1.4%
19	20	Early Times	1,880	1,869	+ 0.6%
20	21	Beefeater	1,875	1,856	+ 1.0%
21	19	Gilbey's Vodka	1,853	1,889	- 1.9%
22	23	Christian Brothers	1,830	1,620	+13.0%
23	22	Kahlua	1,700	1,630	+ 4.3%
24	24	Ancient Age	1,690	1,607	+ 5.2%
25	26	Johnnie Walker Red	1,490	1,490	—
26	25	Cutty Sark	1,458	1,562	- 6.7%
27	31	Crown Royal	1,350	1,225	+10.2%
28	28	Kessler	1,310	1,380	- 5.1%
29	27	Ten High	1,300	1,479	-12.1%
30	33	Southern Comfort	1,218	1,198	+ 1.7%
31	32	Old Grand-Dad	1,215	1,213	+ 0.2%
32	29	Old Crow	1,202	1,340	-10.3%
33	30	Calvert Extra	1,200	1,260	- 4.8%
33	34	Tanqueray	1,200	1,188	+ 1.0%
33	35	Lord Calvert	1,200	1,150	+ 4.3%
36	36	Wolfschmidt	1,100	1,140	- 3.5%
37	37	Jose Cuervo	1,040	1,005	+ 3.5%
38	—	Baileys Irish Cream	1,000	950	+ 5.3%

Key to parent corporations: (AB) - American Brands, (D) - Distillers Co., (G) - Glenmore, (GM) - Grand Metropolitan, (HWR) - Hiram Walker Resources, (RA) - Rapid-American, (RJR) - R.J. Reynolds, (S) - Seagram and (WB) - Whitebread.

The industry also is worried that there will be another excise tax implemented in 1986, possibly another \$2 per gallon. This would exacerbate the industry problems, unless there were accompanying excise tax increases on wine and beer.

To balance that off, however, the industry is hoping to be allowed to lower proof gallonage. As of now, 80 proof is the lowest that can be sold. There is some thought that the minimum might be reduced to 50 proof.

Because a tax is based on proof gallonage, this would allow the

products to be sold at a lower price.

There also are those in the industry who want to dispose of the proof designation altogether and replace it with percentage of alcohol. They believe this would allow better comparisons to be made with, for instance, wine, which measures absolute alcohol content versus proof.

Further compounding industry problems are pressures from some sectors to eliminate alcoholic beverage advertising altogether.

Mr. Maxwell is with Laidlaw Ansbacher, New York.

Brady's Bunch

Fascinating juxtaposition on "60 Minutes" the other night with the feature on Leona Helmsley's grandiose life style following a harrowing report on African famine. I suspect Don Hewitt was making a point.

The Great One is in town. Cocktails Wednesday (Feb. 6) at "21" hosted by Jackie Gleason, Viacom and Showtime Entertainment. Jack will be previewing some soon-to-be-released episodes of "The Honeymooners" that haven't been aired for nearly 30 years. Welcome back, Ralphie!

Someone sent me a "Friend of Dennis Stein" t-shirt.

Another reason why I believe in America: President Reagan's admission to People that he always wanted to be Errol Flynn.

Gary Hart dined at Elaine's with Peter Straus of WMCA radio in New York. Peter the waiter (not Peter the Straus) told Hart, "See you in '88." Responded Gary, "You'll see me before that."

Big improvement in those new Merlin Olsen spots for flowers. The first batch last year made Merlin a wimp, not the Merlin the NFL remembers. The new ads have wit and the "real" Olsen.

When James Beard moved on to that gourmet table in the sky the other day, I remembered that last year in an interview I asked him



Ross

Hart

Flutie

about his own notion of a perfect "last meal." I forget everything it included but I remember one dish: "Bacon and eggs." Gracious, talented, touchable man.

I like the Doug Flutie deal. He gets the \$7 million, can spend the next five years learning to throw in the pros, then can walk legally to the real league and, presumably, another big contract.

That'll show 'em. OPEC pulled the press credentials of Wall Street Journal ace oil reporter Youssef M. Ibrahim three days after his front-pager about a Geneva OPEC summit and the thousand-dollar-a-night "escorts" shutting in and out of their suites. If they ever run out of blondes, OPEC's in real trouble.

I have been to maybe 10,000 rubber chicken dinners in the grand ballroom of the Waldorf-Astoria but never before have I heard someone not in the employ of the Hearst Corp. praise William Randolph Hearst out loud. Walter Annenberg did it the other night at the Magazine Publishers Assn. dinner. An unexpected grace note, nicely done, in the form of an anecdote about the time the 12-year-old Annenberg was taken up to the old monster's home and fell under what they tell me was his considerable charm.

Newsweek got a good one when they grabbed Morton Kondracke to head their Washington bureau. Kondracke's New Republic work and his Wall Street Journal and United Features syndicated stuff are all first rate.

Bill Beutel of WABC-TV in New York and Mariel Hemingway (of Ketchum, Idaho, and Hollywood) co-host next Monday night's (Feb. 11) Humane Society fund-raiser at the Hard Rock Cafe in Manhattan. Mariel's married to the manager. In Ketchum, Idaho, all the cafes are hard rock.

John Naitove of Yarbrough & Co. in New York tells me the beauty in the new Brut commercial is his wife of five months, Andrea Ross, who's represented by the Wilhelmina Model Agency.

Mary Hart of "Entertainment Tonight" will play herself in "Hollywood Wives" over ABC this month. But while most of the sex bombs starring in the flick will be working in designer clothes, Mary got her black velvet dress "off the rack" at the Lillie Rubin shop in Sherman Oaks and doesn't have the foggiest who designed it. That's what the Lillie Rubin folks tell me. I'm sure you're waiting with bated breath for other news of "Hollywood Wives" but for the moment, that's all I have.

The Four Seasons restaurant in Manhattan understands the priorities. The other day at lunch Calvin Klein had one of the posh banquettes while Time's "man of the year," baseball commissioner Peter Ueberroth, made do with a small table by the stairway.

Marc L. Barz of Ace-Parker in Chicago is another who knows that "polish" changes its pronunciation when capitalized.

Joe Hanley jumped from the Los Angeles Times Syndicate after nine years for a big international job for the Murdoch organization's own syndicate.

Dick Pyatt, who used to run the news operation for New York's municipal station WNYC, has a new book out: "The People's Medical Answer Book."

Would it be unsporting to call the Senate judiciary committee a "Meese trap"?

By James Brady

Read James Brady's essays in ADVERTISING AGE Thursday.

Chrysler eyes parts market

By JESSE SNYDER

WARREN, MICH.—Chrysler Corp. wants to peddle its high-technology components on the open market.

The No. 3 auto maker reorganized its component manufacturing operation and charged Lee Runk, new vp-component business operations, with boosting sales outside the corporation.

"I think we'll be able to increase outside sales by 15% annually as far ahead as we can see," said Mr. Runk.

"Our efforts to get lean and competitive on cars means we make some darn good, darn inexpensive products that are very salable in the open market."

Mr. Runk's components group will map out an outside marketing strategy during the next three months and determine advertising needs.

Mr. Runk said he will continue to use Ross Roy Inc., Detroit, Chrysler's merchandising agency, on specialized trade publication advertising for now.

He also ruled out a divisional image campaign as "an unnecessary ego trip."

Chrysler sells \$400 million in components other than engines and transmissions to outside buyers.

Outside sales are 15% to 18% of Mr. Runk's gross, and he wants to increase that to about 25%, even as the value of internal parts supplying grows.

"We have a bias toward keeping high-technology and the high-growth, high-potential business in-house," he said.

Growth in outside sales will be balanced against increased "outsourcing," or buying from foreign or noncompany suppliers of less advanced or labor-intensive com-

ponents.

That matches similar moves at General Motors' supplier divisions such as Delco Electronics (AA, Oct. 20, '83).

"We are putting our energies in the strongest growth elements," Mr. Runk said.

Those include electronic radios; electronic transmission, engine and air-conditioning controls for autos, boats and aircraft; powered metal parts, and other diversified products.

For example, a Chrysler-developed leather-look vinyl called Ultrahide is being marketed to boat manufacturers, and Chrysler also is offering seat design services for smaller companies.

The existing 65-person sales and marketing staff will remain intact but is planned to be consolidated into three divisions—machining, electronics and diversified, Mr. Runk said.

November 1984 vs. November 1983

NOTE: Free Press Morning and Sunday changed from a nine column (2736 lines per page) width to a six column (1830 lines per page) width; and News All Day and Sunday changed from a nine column (2808 lines per page) width to a six column (1872 lines per page) width effective July 1, 1984.

Ar-Thruair (AD & S)	2,516,482	410,714	2,511,642	413,420
Ar & Tribune (S)	2,141,373	39,600	2,034,516	4,999
Grand Total	4,657,855	450,314	4,546,458	418,419

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 IWC and Community Image only. 1983 part run Sunday is Country Image only.

1984. Express Morning and News Evening combined to one edition, Express-News All Day effective September 10, 1984. The Express Morning image is reported in the Express-News All Day listing.

6 column broadsheet standards or tabloids which have a slight depth change in 1984 but did not change column format are converted back to original depth.

'Wives' set to sweep

By JAMES P. FORKAN

NEW YORK—The first half of the February sweeps shapes up as a battle of the Hollywood stars, but "Hollywood Wives" undoubtedly will emerge as the victor of the February ratings war.

Arbitron began monitoring the sweeps Jan. 30, with A.C. Nielsen Co. starting its reporting a day later. Arbitron closes the book on the ratings period Feb. 26, a night before Nielsen's report comes out.

Among the stars the networks are depending on for above-average ratings: Alan Alda ("The Four Seasons," CBS, Jan. 30); Paul Newman ("The Verdict," NBC, Feb. 3); Clint Eastwood ("Firefox," ABC, Feb. 3); Lee Marvin ("The Next Mission," a sequel to "The Dirty Dozen," NBC, Feb. 4); Ellen Burstyn ("Surviving," ABC, Feb. 10); James Earl Jones ("Atlanta Child Murders," CBS, Feb. 10 and 12); Robin Williams ("The World According to Garp," CBS, Feb. 13); Penny Marshall ("Challenge of a Lifetime," ABC, Feb. 14), and Telly Savalas ("Kojak: The Belarus Secret," CBS, Feb. 16).

But "Hollywood Wives" Feb. 17 to 19 is the programing the advertising business is talking about. The ABC three-part miniseries, based on the Jackie Collins best seller, has an all-star cast headed by Stefanie Powers, Angie Dickinson and Suzanne Somers.

"Hollywood Wives" is "gonna be big, it's gonna do very, very well," said Paul Schulman, president of

Gardner Advertising's Paul Schulman Co. network tv buying subsidiary. He is projecting Nielsen shares in the upper 30's. At SSC&B, Jack Otter, senior vp-network programing, agreed, adding he is "even more bullish" than most: "It could easily get a 40 share." Said Phil Burrell, Dancer Fitzgerald Sample's vp-network programing: "I guess I'd have to join the chorus" expecting big numbers from that "exploitative" miniseries.

Most if not all industry observers will be stunned if "Wives" does not prove to be the sweeps' biggest draw. Earlier this season, CBS advanced "Atlanta Child Murders" by about a week while NBC delayed its Procter & Gamble-sponsored "A.D." miniseries into March-April, both to avoid the glitzy ABC miniseries.

Despite all the stunting and counterprograming, Mr. Schulman said, "Over-all, I see no change in status" for the Big 3, with CBS still leading NBC and ABC in the seasonlong ratings fray. Moreover, as Mr. Otter added, the sweeps are far more important to the networks' affiliates (for setting new local ad rates) than to agencies and their clients. Because marketers have year-round needs and goals, "Most advertisers think of the long haul," said Mr. Otter.

CBS' biggie should be "Atlanta"; shares of the two installments are expected to average in the mid-30's. Other nonseries hits, with shares in the 30's, are projected to include

ABC's "Consenting Adult" tonight and "Surviving," though the latter will be hurt by "Atlanta," plus CBS' Grammy Awards Feb. 26.

Theatricals, used sparingly as sweeps ammunition in this pay tv era, will not score "special numbers," one adman said, while made-for-tv movies and miniseries again will dominate. "Firefox," a "Rocky" repeat and "Garp" will be among the features with so-so ratings, several sources agreed.

Of the tv movies, NBC's "Poison Ivy" comedy will be "in big trouble" on Feb. 10 versus ABC's "Surviving" and CBS' "Atlanta." CBS' "Kojak: The Belarus Secret," meanwhile, should improve that network's Saturday showing.

Most of the sweeps weeks will wind up with a competitive Sunday, Feb. 10, which will climax the 1984-85 season's 20th week (and the "second season's" fifth week), will see "Surviving" competing with the opener of "Atlanta Child Murders." A week later, "Hollywood Wives" starts opposite NBC's "Hitler's SS." And on Feb. 24, NBC will pit Bob Hope and part one of its "Evergreen" miniseries against ABC's "Star Trek II."

Among regular series, ABC's "Dynasty" and CBS' "Dallas" will continue their battle for the season-to-date series crown. The Feb. 6 "Dynasty" could go through the roof. Why? President Reagan's State of the Union speech will bump several series, and the soap's competition will be the Democrats' response on CBS and NBC.

1960s relived at 'One Club'

By STEWART ALTER

What was it about the 1960s that has made it so beloved to ad agency creative people?

It can't be that the work was so much better, because not everyone agrees that it really was.

But inarguably, the '60s had a mystique. It was a time of camaraderie, of heroes, of a much smaller industry enthralled with the excitement of doing something new—namely, tv advertising.

That, anyway, was about all one could ascertain from a fairly inconclusive panel discussion involving six top creative executives. They were collected in New York last week by The One Club for Art & Copy, a craft guild of copywriters and art directors, to discuss "Creativity: How great were the '60s? How bad are the '80s?"

There didn't seem to be any definitive answer to the question of why things were better then or if clients and their advertising were really better. Jay Chiat didn't seem to agree with the premise at all. The chairman of Chiat/Day, New York, refused to join in the lament that things are so bad today. His defense of the '80s won the applause of many of the young people in the audience.

But what seemed undebatable was that the atmosphere in the '60s was somehow different and more charged. "There was a camaraderie that was incredible," said Jim Durfee, creative director of Durfee & Solow, New York, who felt the newness of tv made for a freer creative environment. "We weren't trying to top anything. We were doing something new."

And with the camaraderie came the pursuit of excellence and competition. "Who's the best young copywriter around?" was a question most often asked back then, according to Jerry Della Femina, chairman of Della Femina, Travisano & Partners, New York. He wondered if it was still asked today. "We spent a lot of time talking about advertising and it was fun. If people stay late now, they're not talking about advertising. I think it's just a job."

That was supported by Len Sirowitz, co-chairman of Rosen-

feld, Sirowitz & Lawson, New York. "We were hungry and killed ourselves to do good work," said Mr. Sirowitz, part of the Doyle Dane Bernbach pantheon in the 1960s. "I don't think people today are as hungry as we were then."

But Mr. Chiat, one of the '80s panelists, didn't agree. "We don't have any patience for anybody who's not passionate. I just think you're either tired or not, and if you look at the advertising you can tell." Mr. Chiat, at another point, also felt that "the amount of advertising that's really brilliant today is about the same as in the '60s."

The other two '80s panelists, Tom Messner, senior vp-creative group head at Ally & Gargano, New York, and Tony Angotti, co-founder of Angotti, Thomas, Hedge, New York, joined in attesting to the '60s mystique, especially at DDB.

"There was a reverence," said Mr. Angotti, who worked at DDB. He spoke of the joy of winning Mr. Sirowitz' approval or the awe of entering Helmut Krone's office. Mr. Messner similarly observed that people at DDB in the '60s regarded their advertising as works of art. "It was an aesthetic. Marvin Honig and Evan Stark thought of their work like plays."

The questions of whether the work was any different and, if so, why, were harder to answer, even after two long reels of spots were shown, one from the '60s and one from the '80s.

Apart from the fact that 60-second spots were the norm then, the major difference seemed to be in production values. "In the '60s you saw the work of a copywriter and an art director," said Mr. Della Femina. "Nobody knew the names of any of the directors in the '60s. Today we see the work of the copywriter, art director, producer, assistant producer, director, cameraman—a cast of thousands," he said.

But regardless of the differences in products advertised, techniques and commercial length, were those '60s spots effective? asked one questioner from the back.

"We're all still working," was how the panel answered that one.

Pizza Hut leaves hometown

By JENNIFER PENDLETON

Pizza Hut is dropping its "Hometown" for Hollywood in its first campaign from Chiat/Day, Los Angeles.

The PepsiCo division will anoint seven celebrity presenters as "Pizza Hut People" in new tv commercials intended to project a confident, quality image for the U.S.' largest pizza chain (AA, Jan. 28).

The campaign is a departure from the country theme of its long-running "Hometown" ads created by Chiat/Day's predecessor, Foote, Cone & Belding, Chicago. In the \$30 million campaign, celebrities Martin Mull, Susan Anton, Rita Moreno, Herbert Hancock, Hoyt Axton and SCTV's MacKenzie Brothers will speak on different aspects of pizza consumption.

According to Chiat/Day exec vp-creative director Lee Clow, the campaign is a new approach to testimonials. Pizza Hut opted for "approachable, honest, friendly and believable presenters... so that people could identify what they're saying and have fun along with them." The agency gave them general guidelines on what to discuss

in the ads, but most of the comments were extemporaneous.

"Let me tell you a little something about pizza etiquette," comedian Martin Mull will say, as he points to the areas on a pizza slice that are acceptable first bites. Then he asks, "but is it okay to take it from the other end—crust-first?" "No," he says. "I'm sorry, you have to start with the point." As it ends, the presenter's name flashes on the screen, followed by the name of his favorite Pizza Hut pizza.

The MacKenzie Brothers of SCTV fame spar over pizza. "You know what you got to get yourself?" says one brother to another. "A new attitude to eating." After informing him that he eats like a bird, followed by a few barbs, the larger brother steals the pizza away from his smaller rival.

One spot features actress Rita Moreno. "If I'm feeling mellow, I just want cheese and tomatoes. If I'm feeling attractive, I say put on some pepperoni, and if I'm feeling wild and crazy, I just say throw it on," she says suggestively. "My, my, my, my, my."

Pizza Hut senior vp-marketing Walter (Bud) Gates and vp-adver-

tising/sales promotion David Ropes describe these spots as the first in what likely will become a long-running campaign. The company executives spoke of adding other Pizza Hut People as the year progresses. They also spoke of running similarly themed ads with local celebrities on a local level.

Pizza Hut's selection of Chiat/Day as its agency has been surrounded by controversy. After the agency defected from the review of its competitor, Godfather's Pizza, to pitch the larger Pizza Hut account, Godfather's sued Chiat/Day. Its purpose was to stop the agency from revealing proprietary information—in effect, stopping them from working on the business (AA, July 16, et seq.).

Arguing that Chiat/Day possessed trade secrets that could be used against them, Godfather's secured an injunction against the agency, restricting certain staffers from working on the account. That injunction was in place until November. The case is pending.

Pizza Hut is the U.S.' largest competitor in the \$9 billion pizza-restaurant category with a 20% market share.

Colgate

(Continued from Page 1)

ember period, also are expected to show a dramatic drop.

Colgate's roll goes back to the gains it made with the addition of a gel to the dentifrice line. Colgate rushed to beat P&G to the market, a move that paid off. A second coup came when Colgate introduced both its regular and gel versions in pump dispensers.

P&G, which had hoped to have good regional, if not national, distribution of its Crest pump by now, still is having manufacturing prob-

lems with it. Although the exact problems with the pump, designed by the West German-based Henkel, could not be pinpointed, it appears P&G is having trouble developing filling equipment. The design was sold by Henkel to Continental Can Co., which was refused trade secrets for filling the pumps.

A buyer in Portland, Me., said he hasn't had any word from P&G. The product was put into test there in the fall. But once initial shipments sold out, stores found they couldn't get any more stock. P&G stopped advertising when it couldn't supply product.

Some say it may take 18 months to produce the proper equipment

for filling this kind of pump.

P&G prefers to term the difficulties as "not being able to meet consumer demand" without specifying that the problems relate to manufacturing and distribution. A spokeswoman said, "We are working on it as quickly as possible."

Despite all the activity, other brands appear to be maintaining status quo. The third-biggest seller, Beecham's Aqua-fresh, holds 12%, followed by Lever's Aim, at about 9% and Lever's Close-Up at about 8%. None of the other brands exceed a 4% share. Minnetonka's Check-up, which pioneered the pump in this country, has a 1%-to-2% market share.

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FEB

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1985

February 7, 1985

Advertising Age

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Thursday

Bringing new Clow-t to ads

CHIAT'S UNLIKELY CREATIVE

BY JENNIFER PENDLETON

Exceptional creative ability can show up in unlikely places. And Lee Clow is one such place.

The exec vp-creative director at Chiat/Day is the force behind some of the most remarkable U.S. ad campaigns of recent years, but his special talent is hard to pin down. Although the 41-year-old Southern California native looks the part—he maintains a style of dressing that some describe as “1960s surfer” and wears his hair and beard in a manner reminiscent of that turbu-

lent time—he doesn't seem to possess many of the personal qualities usually associated with great creative prowess.

“If you met Lee Clow on the street you would never guess he's the creative force behind those campaigns,” says Nike Inc. creative director Peter Moore, who has worked with Chiat/Day for more than two years. “But he's got tremendous abilities.”

Mr. Clow's colleagues, when
(Continued on Page 5)



Lee Clow on the set during production of one of Chiat/Day's new Pizza Hut tv spots featuring actor and comedian Martin Mull.

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Advertising is a dialogue with people
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In the news

Home is where the outlet is

PBS' "New Tech Times" wants viewers to explain, in 100 words or less, why they'd like to adopt Hubot—a \$3,500, computerized, tv-equipped, California-built robot. The stunt is designed to promote the "high-tech" tv show's second season. See Page 4.

Horse magazines bunch up

Three rival magazines, *Equus*, *Horseman* and *Western Horseman*, are joining forces to put together an advertorial section in their May issues. See Page 4.

JFY eyes mass conversions

Executives at a Melville, N.Y., company think that, if enough people answer their consumer surveys, they can sell mass marketers on direct response. See Page 6.

EMMA broadens horizons

Electronic Media Marketing Assn., which promotes direct-response marketing via electronic media, is opening up its doors to telemarketing service bureaus. See Page 7.

Yuppies are sweet targets

Mass-produced candy may become fashionable as well as fattening if sweets marketers can catch on with today's most coveted consumer—the yuppie. See Page 45.

Admiral not an ad-mirer

Celebrated Admiral Hyman Rickover took some shots at the business world in general, and the advertising world in particular, during a recent New York speech titled "Thoughts on man's purpose in life." See Page 50.

Presstime

AdCom suitors line up

CHICAGO—The most likely suitors for AdCom, Quaker Oats Co.'s in-house agency (AA, Feb. 4), are BBDO International, Bozell & Jacobs and an investor group led by AdCom president-creative director Gary Bayer, inside sources say. AdCom could command a purchase price of \$5 million to \$10 million, sources predict.

Bomb threat a dud at JWT

SAN FRANCISCO—J. Walter Thompson USA's Embarcadero Center offices here emptied Feb. 5 after a bomb threat was phoned in. A search by security turned up nothing, and employees returned after a couple of hours.

'Savvy' staff move

NEW YORK—Savvy's business and editorial staffs have been invited to stay on by new owner Family Media. And at World Tennis, Family Media's other new acquisition (AA, Jan. 10, et seq.), Shepherd Brandfon becomes president of a new subsidiary, World Tennis Inc., while continuing as publisher, 1,001 Home Ideas.

Another lap for Olympics

STAMFORD, CONN.—ESPN is planning to repack-age ABC-TV's 180 hours of 1984 Summer Olympics coverage to run for two weeks in July.

Kenner hugs new dolls

NEW YORK—Kenner Products, Cincinnati, will

Special Report



Shakeout has devastated the ranks of personal computer hardware and software marketers. Now, experts say, it's the retailers' turn. Despite the gloomy predictions, however, optimism reigns among franchised computer chains and independent retailers alike. See Personal Computer Marketing Special Report starting on Page 13.

preview its new Hugga Bunch doll line at a pre-Toy Fair press conference here today. Like Kenner's 1984 Rose Petal Place line and Mattel's Rainbow Brite, Hugga Bunch was licensed by Hallmark Properties, Kansas City, Mo.

Howort bolts Ohlmeyer

NEW YORK—Philip Howort has resigned as president at Ohlmeyer Advertising, New York, and exec vp at parent Ohlmeyer Communications Cos., a joint venture with Nabisco Brands.

Schick in All-Star insert

MORRIS PLAINS, N.J.—Warner-Lambert Co.'s Schick division will run a six-page insert in *USA Today* Feb. 8 in conjunction with the National Basketball Assn.'s All-Star weekend. The insert is designed as a fan's guide to the All-Star activities and as a program for the 35th annual game. J. Walter Thompson USA is Schick's agency.

Nielsen eyes syndie shows

NORTHBROOK, ILL.—A.C. Nielsen Co. has formed a new unit to measure syndicated tv shows. The unit, called Nielsen Syndication Service, will combine several services offered by Nielsen.

Cummings exits Saatchi

NEW YORK—Josephine Cummings has resigned as senior vp-group creative director at Saatchi & Saatchi Compton Worldwide to join Ted Bates Advertising as senior vp-exec creative director. Ms. Cummings arrived at Saatchi only six months ago as one of the agency's key hirings in efforts to give greater emphasis to creativity. Separately, (Continued on Page 51)

Trainer cries 'fowl' on IBM software ad

By BRIAN MORAN

They say it's not nice to fool with Mother Nature, but don't try telling that to IBM.

When it comes to Big Blue's insatiable demand for perfection, God's creatures great and small sometimes just don't measure up. But not to worry—the almighty muscle of machines is always at the ready.

Take Moe DiSesso's unlucky ducks.

Mr. DiSesso, a Hollywood animal trainer with a long list of tv commercial and film credits, was hired recently to drill a team of ducks for a spot promoting IBM's personal computer software line. Mr. DiSesso called a slaughterhouse in Los Angeles' Chinatown and placed an order for 40 ducks.

"They were just getting ready for lunch down there," Mr. DiSesso recalled.

"I said, 'Wait—don't kill 'em, I'll be right over!' It was a happy day for those ducks."

IBM's storyboard for the commercial, via Lord, Geller, Federico, Einstein, New York, called for a group of unruly ducks to fall into a neat row after running through a series of five doors marked with the titles of software programs.

"The producer said it was going to be a real tough one, but I knew I could do it. I do all the tough ones," said Mr. DiSesso, who trained Sandy the dog in the film version of "Annie" and shared a Chicago Film Festival award for Star-Kist Foods' spots for Meaty Bone, which feature "talking" pooches.

Mr. DiSesso put his feathered minions through a four-week boot camp on the three-acre farm he owns in Newhall, Cal. Using a long candy-striped pole, he split up groups of ducks and moved them back and forth and from side to side. When shooting day at Hollywood's Raleigh Studios finally arrived, the ducks were ready.

Mr. DiSesso and 15 assistants, equipped with poles and headsets, positioned themselves just out of camera range about 20 feet away from the swarming ducks. A director from Los Angeles' HISK Pro-

ductions called for action, and the great IBM duck walk was on.

There was anxiety on the set. None of the IBM and agency reps knew for certain that the ducks could perform on cue. Only Mr. DiSesso knew that getting ducks to walk in a choreographed row was a day at the beach compared with the time he taught a Tidy Cat kitten to play the banjo like Elvis Presley.

"All the setups of the ducks moving in and out of the doors were done in one take," Mr. DiSesso said. "They [the producer and Lord, Geller's representatives] were tickled to death—it went like clockwork."

But after viewing the rushes, Big Blue's team decided that the final scene in the 30-second commercial of IBM's cane-toting Little Tramp shepherding an impeccable row of six ducks out the final "software door" didn't convey enough clout. Mr. DiSesso was asked if he could get 16 ducks to walk the line.

"I couldn't believe it," Mr. DiSesso recalled. "What they asked for was absolutely impossible. It was a lot of work to get six or eight [ducks] to be patient. Maybe I could have done 10, but 16—no way."

What man (or ducks) can't do, a machine usually can. IBM recut the final scene of the spot with 16 docile, obedient mechanical ducks.

"How could they do this to me? They ruined a good commercial," Mr. DiSesso lamented. "That last long line of ducks is too perfect. My friends in Florida and New York called to say how great it looked—until the phony part. I was very disappointed."

A spokesman for IBM's Entry Systems Division, Boca Raton, Fla., would not comment on the spot. A Lord, Geller account exec also ducked the issue, on orders from the client.

Mr. DiSesso said he and his assistants couldn't bring themselves to partake in the peking duck dinner served to the studio crew after work on the shoot finished. He collected his 40 ducks and went back to his farm, where they are now "eating up everything I made on that commercial."



Moe DiSesso, animal trainer for IBM's software spot, got six ducks to run in a row. But Big Blue wanted a more impressive line and subbed 16 mechanical quackers in the final cut (above).

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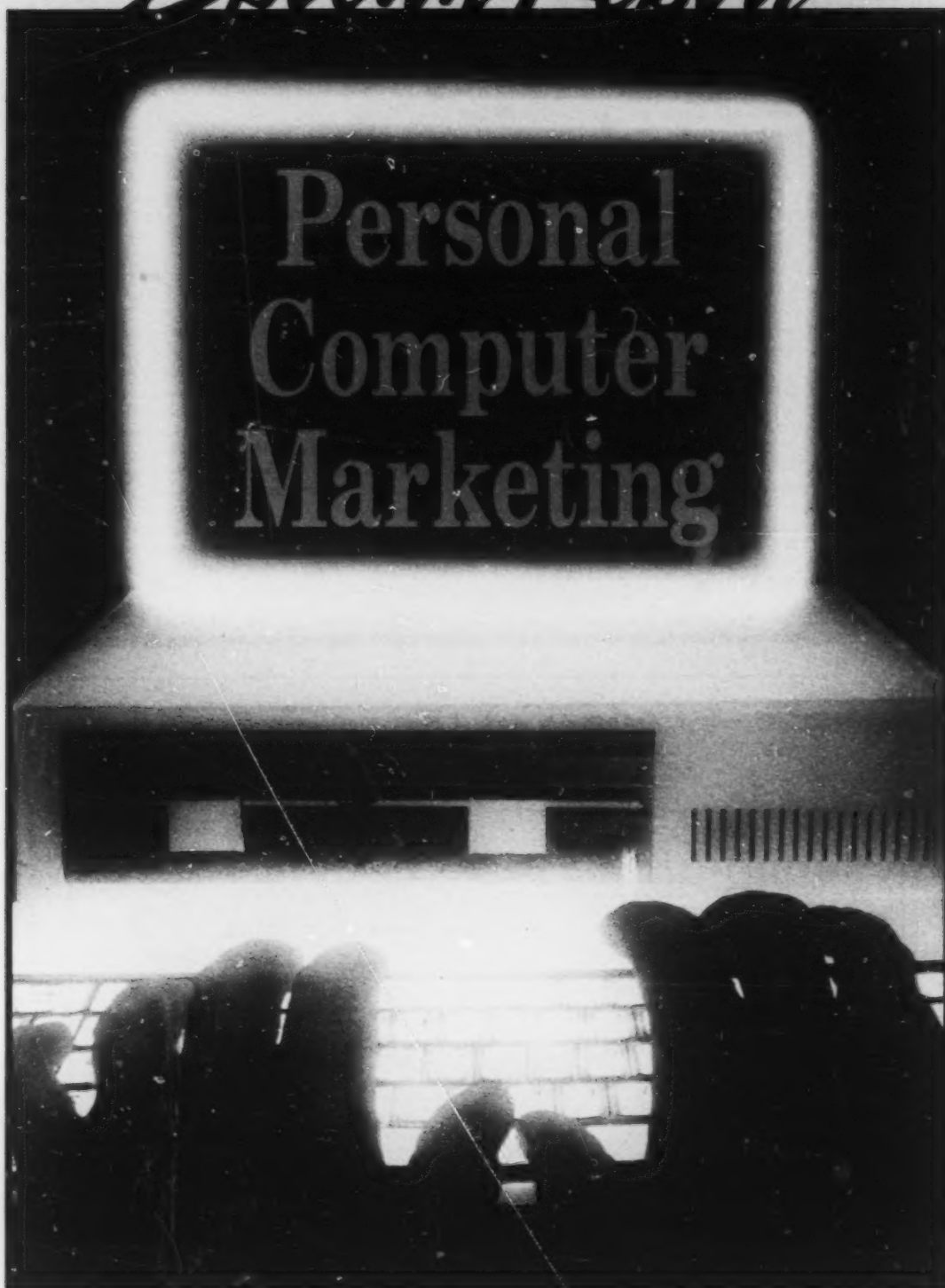
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Special Report

Personal Computer Marketing



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Retailers key in on niches

By Betsy Gilbert

Change is in the air surrounding the personal computer industry.

No one's sitting on Easy Street anymore—not the hardware manufacturers, not the software publishers and certainly not the retailers. Competition has grown fierce within this \$12.2 billion retail industry—in terms of combined hardware and software sales for 1984—and those without a clear-cut plan for growth and innovation

Betsy Gilbert, a Silicon Valley-based frequent contributor to Special Report, covered computer-user groups in last March's Personal Computer Marketing Special Report.

might as well start thinking about an early retirement.

The computer business rapidly is evolving into a consumer industry. Five years ago, it was hard to find a personal computer in the home or office. Today, according to Future Computing, a Dallas-based information services company focusing on the personal computer industry, 11.9 million homes boast a personal computer; 7.1 million have been installed in offices around the U.S. Consumers have discovered that owning a computer can be smart—for personal as well as professional productivity—and the more they discover, the more they want from their systems.

Increased consumer demand and fast growth have glutted the

market with hardware and software, and it has redefined the distribution channels for this equipment.

In the beginning, large chains, such as the 562-unit Hayward, Cal.-based ComputerLand, got the walk-in business, while manufacturers' representatives took care of the bigger accounts. Then independent retailers moved into the market to grab a piece of the ever-increasing action. Today, mass merchandisers such as K mart Corp., Sears, Roebuck & Co. and many other major department store chains have jumped into the fray as well, realizing that putting computers on the shelf next to stereos and videocassette recorders can be lucrative.

(Continued on Page 14)

Independents to specialize in survival

"The rumors of my death are greatly exaggerated." The words are Mark Twain's, but they might have been spoken by any one of the hundreds of independent computer retailers throughout the U.S.

Research from Future Computing, a Dallas-based information services company, identifies 4,337 computer specialty stores in the U.S.; 43.8% of those, or slightly less than 2,000, are independently owned.

For about the past year, the personal computer industry has been abuzz with talk that independents are not long for this world, but insiders say the rumors aren't true. While a good number of independents have closed their doors, experts attribute their failures to bad business operations, not to a trend within the retail channel.

"Everybody is always talking about specialty retailers drying

up and blowing away, about how the chains are going to do them in or the vendors are going to take their business away," PC Retailing editor Michael Alexander says. "It's just talk."

"I heard the same rumors about appliances, then about consumer electronics and look at those two industries—the dealers are still growing strong. Specialty retailing hasn't changed since the day the first guy opened up a shop and put a shingle outside. The products have changed, but the fundamentals of retailing haven't."

Echoing this optimism, Future Computing predicts independents will maintain a decreased but still formidable 30% to 40% of the market as specialty retailers grow in number to 7,200 by 1989.

However, Mr. Alexander says that although the future holds potential for independents, they no longer can sit back and ex-

pect to enjoy healthy sales simply by stocking product. To compete with the large chains and the vendors, which increas-

"There's plenty of room for everybody, but the independent has got to be sharper than he's been in the past."

—Carroll Greathouse
National Assn. of
Computer Stores

ingly are going after customers previously the exclusive territory of dealers, they're going to have to place greater emphasis

on service and support.

"The advantage the independents have over everyone else is the personal touch they're able to offer," Mr. Alexander says. "People will always like going into a store and getting that personal attention, knowing that when they want to add to their system or something goes wrong, their dealer will be there."

Carroll Greathouse, exec vp of the National Assn. of Computer Stores, headquartered in Stamford, Conn., agrees. While he has witnessed the downfall of a number of independents in the past year, he says he doesn't believe these failures represent the shape of things to come.

"Look at the growth curve of any major industry," he says. "You eventually reach a point where the strong start to get stronger and the weak ones pass by the wayside. That's just basic economics, and that's where we are today, but it doesn't mean

that independent retailers are dying out.

"There's plenty of room for everybody, but the independent has got to be sharper than he's been in the past."

That means enhanced service and support, something the chains, by their very size, aren't able to offer. If the independents are willing to offer service above and beyond what the big companies do, business will remain healthy.

Success in the computer retailing business isn't much different from any other field. The smart independent is going to find a special niche, become better than anyone else in it, offer customers the kind of support they can't get from the big companies and keep on top of market trends.

You don't need a computer to come up with a successful formula. You just need a good business head.

—B.G.

Niches

(Continued from Page 13)

The retail business has become crowded, and those hoping to survive are looking for niches.

"You hear all kinds of gloom and doom stories about how specialty computer retailers are going to die out now that the mass merchandisers have gotten into the act," says John Dinsmore, director of the Assn. of Better Computer Dealers, "but that's just not the case. The market has gotten crowded, but different outlets address different markets."

"That's the way it's really always been; it's just that now, the definitions are a lot more pronounced."

The Lexington, Ky.-based ABCD, which was formed in 1982 and has about 60 dealer members, addresses those definitions as well as other issues faced by both independents and chains. The members meet three times a year, along with representatives of the major hardware and software companies, to discuss methods of improving the existing retail channels.

"Our members are focused very squarely on the business and professional user and to some extent, the institutional/educational market," says Mr. Dinsmore. "That, I think, is

fairly universal. The mass merchandisers go after the home and hobbyist market, which is substantial, but which ABCD members have no interest in pursuing. The lines are clearly

drawn, and there's very little, if any, overlap."

That is in part because, Mr. Dinsmore says, mass merchandisers are not able to offer customers service and support, which the serious computer user needs. People who buy computers at a K mart or Sears, he says, expect to take the computer home, plug it in and have it run games or low-end, simple software—nothing more. The business user and the serious home user need more in the way of software, add-on peripherals and ongoing service.

"Department stores and the other mass merchandisers are selling boxes, period, and the serious customer is always going to need and want service and support," Mr. Dinsmore says. "That's what the specialty retailers have to offer, and that's why they will continue to do well."

"By the end of this decade, computer products will be so easy to use and people will be so computer literate that you will

see a decline in the number of specialty outlets and an increase in sales among the consumer stores, but it's going to be an evolutionary thing."

Statistics compiled by Future Computing would seem to back up Mr. Dinsmore's predictions. The company's research indicates that while sales by mass merchandisers will increase from about \$1.5 billion in 1984 to more than \$4 billion in 1989, those from specialty stores also will rise, by about the same rate, to nearly \$1 billion in 1989.

Those hardware figures are comparable to software sales. Future Computing estimates mass merchandisers' software sales will increase 300%, to more than \$2 billion in 1989, while specialty stores will see figures double to about \$750 million in 1989.

"Those figures are a little misleading," says Michael Alexander, editor of PC Retailing, a magazine aimed at those who sell computers, "because they're taking in all types of computers, from the Atari machines to Apples and IBM PCs."

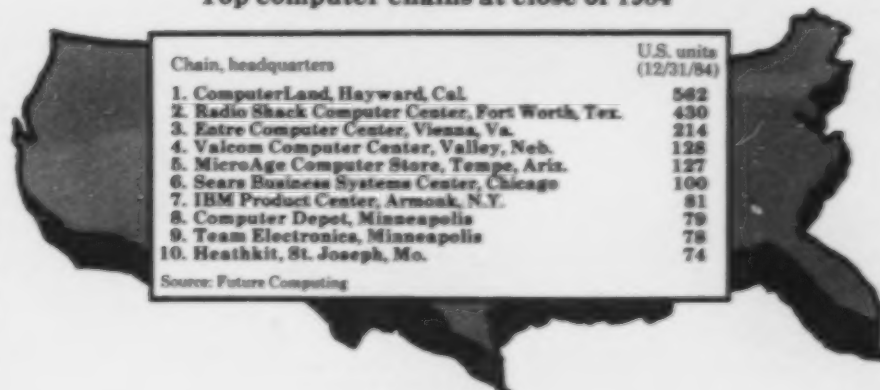
"Of course, the department stores are going to sell a lot more machines in the years to come, but what they're moving are low-end products. Because the specialty stores lean toward medium to high-end products, they aren't going to be affected by what the mass merchandisers are doing."

The change, Mr. Alexander says, will not take the form of independent and chain retailers falling victim to sales dominance by the mass merchandisers. The real change will be increased specialization by retailers. Not only will they offer increased service and support, but they also will pick specific market niches and direct all their efforts into dominating those areas.

"It all boils down to profit margin," he says. "The mass merchandisers just offer a box and they operate on high volume, low markup. The specialty

Leaders of the pack

Top computer chains at close of 1984



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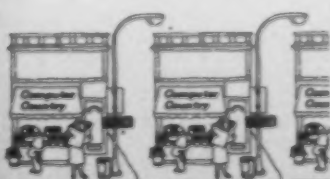
But... there's still room to grow

Number of U.S. computer specialty stores

(Each store represents 2,000 locations)

Source: Future Computing

1984



(4,337)

1989



(7,200)

Big companies' confidence unshaken

Although some admit to plans for keeping ahead of the pack, the nation's largest specialty chains seem undaunted by talk of an imminent shakeout among computer retailers.

"The competition is definitely heating up, with more and more retailers entering the business," says Diane Douglas, spokeswoman for Hayward, Cal.-based ComputerLand, "but we're not overly concerned about it. It's the independents who should be concerned, because as competition increases, survival is difficult without the identity or support of a large organization network."

Ms. Douglas agrees with the consensus that the entry of mass merchandisers into the computer market won't have any long-term effects on either the chains or the independents, because the targeted customers are so different.

"There's an audience for boxes sold off the shelf, but that's not our audience," she says. "Our positioning is value-added sales, which involves service, training and knowledgeable salespeople and staff at the retail level."

"We're going after the business professional, who wants and needs that whole package," she says.

ComputerLand, which at year's end operated 562 stores in the U.S., offers advantages the small independent doesn't enjoy. Central purchasing—offering franchisees lower prices—marketing programs and extensive training are available. Given the reduced margins most retailers are experiencing today because of aggressive competition, those aren't advantages to be taken lightly.

"I'm not saying that all independents are doomed," Ms. Douglas says. "But the ones that are going to make it are going to

have to be real smart about how they approach the market."

Suzie Crocker, spokeswoman for the 55-unit, San Jose, Cal.-

"... we're able to attract and keep the best people. That's a big advantage when the competition for customers is so keen."

*Suzie Crocker
Businessland*

based Businessland, says that means narrowing the scope to vertical, or specialty, markets.

"There's been the assumption

that independents can come in and take over the chains' high-end business market, but that is simply not correct," Ms. Crocker says.

"Independents can't afford to keep the kind of staff that's needed to support these customers, and they are unable to service the big businesses that have locations throughout the country. So what they have to do is find a healthy market niche and put all their efforts into it."

Businessland, unlike ComputerLand, is a company-owned chain, rather than a franchise organization. The company believes this arrangement offers advantages over both independent and franchised setups.

"An organization like ours has consistent policies, products and staff throughout the country," she says. "The others can't say that. This company is like any major corporation. People have career paths here, so we're able

to attract and keep the best people. That's a big advantage when the competition for customers is so keen."

Businessland isn't sitting back and taking it easy, however. Ms. Crocker says the company is practicing what it preaches: Start moving toward the specialty market niches.

"Some of the independents have been extremely good at hitting those markets, and we can be even better," she says. "Actually, we've always been in the specialty niches, like networking, and it's our policy to continue moving up to higher end products."

"Businessland isn't worried about anyone coming in and taking business away. We've got the people, we've got the ability to service and support and we're able to offer customers what they need."

"Not many other retailers are able to say that." —B.G.

Soft sell

(Percentage of software sales by store)

Type of store	1984	1989
Consumer electronics	18%	13%
Department & discount	19	22
Computer specialty	20	11
Software	8	19
Mail order	13	8
Other mass merchandise	18	20
Other	4	7

Source: Future Computing

retailers have a big overhead and they have to have a bigger profit margin.

"So what you'll see among the different stores is maybe one emphasizing vertical software,

another specializing in more technical machines, like multi-user, multi-tasking computers. Depending on what the customer needs, he'll go to a specific store or chain to get it.

There won't be nearly the generalization among retailers that you see today."

Because customers will be coming to the specialty retailers for functional products, Mr. Alexander says those stores wishing to remain successful will have to become more sophisticated, more technical and more consultative in their sales techniques. If that happens, he says a status quo will be maintained throughout the retail channels, and everyone will enjoy profitable business.

A representative from one of the leading personal computer companies elaborated even further on the specialization theory. Srinu Nageshwar, retail marketing manager of Palo Alto, Cal.-based Hewlett-Packard Co.'s Personal Computer Group, says he believes that in the next 12 to 18 months, the retail channel will shake out into two distinct directions.

"When you look at the retail channel as it stands, you don't see a lot of differentiation," he says, "but you are going to see it in the near future."

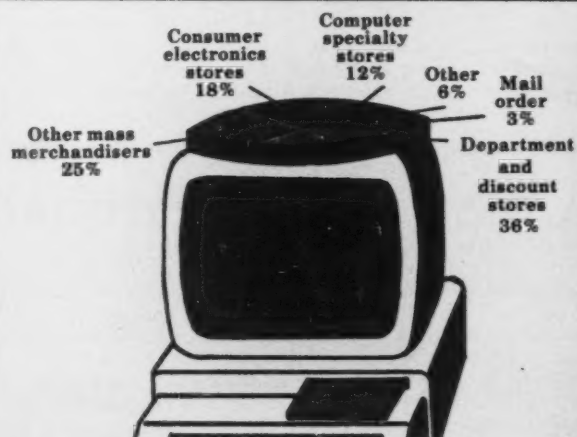
He says he believes that as the channel evolves, two categories will emerge. ("I put the mass merchandisers in another category entirely, because I don't feel that they are ever going to present any real threat to specialty retailers," Mr. Nageshwar says.)

The first category will be the dealers that concentrate on having impressive showrooms and depend on store traffic walking in and asking for product. These stores will attract the price-conscious buyer, because they will compete heavily on the basis of a good value for the dollar. Service won't be a big issue because these dealers will be picking up spillover from Fortune 1000 accounts, which typically have internal support systems.

The second category Mr. Nageshwar refers to as "high support dealers," emphasizing support rather than price in their

Hardware stores

(Percentage of hardware sales by store type)



Source: Future Computing

sales efforts. They won't rely on walk-in sales, but they will look to outside sales forces to attract the small to medium-size business computer user (a rapidly growing market), who needs a good computer, but doesn't have the resources to support the system. The dealer that can offer that support is going to get the business, Mr. Nageshwar says.

"We have no doubt that this is going to be the scenario in the

next year or so, and have developed a new dealer program based on our belief," he says.

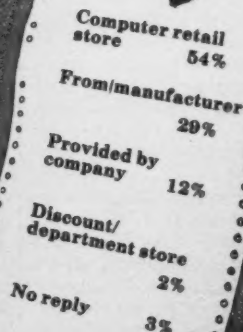
"All the easy computer sales have already been made and there's so much product floating around now, that dealers are going to have to become specialized in order to stay in business."

"The industry is evolving and the retail channel is going to have to evolve right along with it."

Businessman's special

Where business computers are purchased

A new Fortune study, "Managing the purchase and use of personal computers in business," polled 2,500 subscribers to examine the business computer market. Three-quarters of the respondents reported they use a personal computer in their workplace.



Source: Fortune, December 1984

FEB

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1985

Monday, February 11, 1985

Advertising Age

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K mart says, 'Come on down'

By JESSE SNYDER

TROY, MICH.—The marketing pendulum at K mart stores is swinging from upscale back to value.

The swing won't reach as far back as the "blue-light special" imagery, but K mart Corp. will reemphasize low prices to reassure traditional customers.

The architect of the switch is Norman Milley, new president of K mart stores group, who is credited with instigating the retailer's move upscale.

Marketing effects include:

- More print and less tv advertising until 1987.
- Flat ad spending in '85, coming in at \$590 million.
- Revival of "The savings place" theme line and downplaying of the Olympic-year

Ads will reassure bargain-hunters

"We've got it good."

• The temporary loss in billings by Ross Roy Inc., Detroit, which handles tv, radio and some magazine advertising. Those billings, however, are expected to grow in the long term.

This is "the year of the customer," said Mr. Milley. Informal research showed 70% of K mart customers favored the upgraded stores, but 30% didn't.

So K mart will reemphasize low prices and value in advertising, Mr. Milley said. He liked the image gains from the \$20 million Olympics tv campaign done by Ross Roy, but acknowledged that only about one-third of K mart's 2,100 stores had been renovated by the summer games. Mr. Milley said there is

more tv in K mart's future, but not until after the refurbishing program is completed by the end of 1986.

The shift to an upgraded product mix, including more brand names, will continue apace, but the stores will work to make the lower-price items more visible to shoppers, Mr. Milley said.

For now, K mart is launching a second weekly rotogravure section in major markets, affecting 1,100 stores. Print, mostly in newspaper run-of-press and inserts, will get 91% of K mart media spending this year. But Mr. Milley said changing consumer reading habits eventually will force K mart to re-evaluate that weight.

Tv will get a boost when the budget per-

mits, especially when K mart is fine-tuning its image or trying to attract new customers, Mr. Milley said. K mart also is interested in more magazine advertising, but Mr. Milley ranked that a lower priority than tv. K mart uses specialty magazines to supplement sporting goods, apparel and houseware lines.

K mart exceeded its announced goal of \$20 billion in sales with a strong fourth quarter. Mr. Milley projects \$25 billion in sales by 1988, not including specialty retailing, which by the end of the decade is expected to account for 20% of total K mart sales.

The company, however, said its earnings for the fourth quarter, ended Jan. 31, were below expectations. Chairman Bernard M. Fauber said "massive clearance sales" in the whole retailing industry, brought about by overstock situations, were to blame. "Our

(Continued on Page 84)



Miller's way

The first Miller High Life tv campaign from J. Walter Thompson USA shows people in a wide variety of urban and rural scenes to highlight its "Made the American way" theme. The new spots broke Feb. 10. (See story on Page 84).

Last Minute News

Pioneer reviewing after split with Chiat/Day

LONG BEACH, CAL.—Pioneer Electronics is reviewing agencies following its split with its agency of 10 years, Chiat/Day, Los Angeles. Annual ad budget is estimated to be around \$9 million.

Aamco shifts creative to Cunningham & Walsh

BALA-CYNWYD, PA.—Aamco Transmissions, the auto transmission repair chain, has assigned Cunningham & Walsh, New York, creative work for its \$11 million account. It previously was at Calet, Hirsch & Spector.

Tomy sinks big ad bucks into pricy robots

NEW YORK—Tomy Corp. and Keye/Donna/Pearlstein at the Toy Fair here (see related items on Pages 8 and 88) are promoting, among other things, a \$5 million print and tv campaign for its upscale-appeal Omni 2000 and Omnibot programmable robots and the child-oriented Chatbot.

Johnson moves Maxishields account to SSC&B

MILLTOWN, N.J.—Johnson & Johnson's Personal Products Co. subsidiary will move Sure & Natural Maxishields to SSC&B from Cadwell Davis Partners. Almost \$17 million was spent advertising the brand in 1983 and \$7 million in the first half of 1984, says Leading National Advertisers.

B&B bags four Jeffrey Martin products

UNION, N.J.—Jeffrey Martin Inc. has named Benton & Bowles, New York, as agency for its Ayds appetite suppressant, Compoz sleep aid and Porcelana skin-bleaching agent. B&B also will get a new, as-yet undisclosed cosmetics product. Spending will top \$8 million. There is no previous (Continued on Page 8)

WRG grinds Hills Bros., juices P&G

By JENNIFER PENDLETON

Wells, Rich, Greene has resigned an \$8 million account, Nestle's Hills Bros. coffee, reportedly to handle a new juice product that would fall under Procter & Gamble's beverage division.

Sources said the new P&G product, to be handled by WRG/New York, will be introduced later this year.

WRG/Worldwide chairman Kenneth Olshan remained non-committal on the P&G assignment, saying only that Hills Bros. had been resigned due to a "potential, but not immediate, conflict" involving another client. A P&G spokesman said WRG "currently has no P&G beverage assignment."

The decision to abandon the Hills Bros. business, a major account at WRG/West, Los Angeles, for the last five years, was apparently made to meet P&G's tough account-conflict rules and the quiet realignment of P&G's beverage operations.

The P&G spokesman said that (Continued on Page 89)

Vcr zapping bug bites Aussies

By GEOFFREY L. MARTIN

SYDNEY—The "zapping" problem is reaching epidemic proportions in Australia, according to a \$100,000 study by Unilever and Lintas.

Zapping occurs when videocassette recorder owners fast-forward through ads, or eliminate them altogether, to get to prerecorded programming. Australia is emerging as a key country for study because vcr ownership is so highly saturated here—32% of households own vcrs, compared with almost 20% in the U.S. The figure is expected to increase to 40% in Australia by the end of the year, sources predict.

The Unilever/Lintas research found that viewing of "live" tv in Australia has fallen to 71% (from 100%) with increased vcr ownership. It also found vcr use is increasing monthly, particularly among older people, children, women, city residents and among vcr owners of more than six months.

The study said vcr use is high during nonrating periods, when, like the U.S. summer, first-run tv programming is scarce.

But the big concern in the advertising industry is zapping, and the report found that at least 25% of all vcr owners either fast-forward through commercials or edit them out of recorded programs.

Geoffrey Cousins, chairman of George Patterson Pty., the biggest agency in Australia and 80% owned by Ted Bates Worldwide, said the study shows that "advertisers will just have to learn to use the medium [tv] differently."

However, two studies last year contradict the Unilever/Lintas results. A McNair Anderson study last year found vcrs had little impact on live tv viewing, and a Roy Morgan Research Center study found that vcr use in Australia actually is dropping.

Also, some have objected to the study's finding that live tv viewing dropped 29%. They point out that this drop is true only on the days when vcr owners are recording programming. All vcr owners on all days show a live tv viewing drop of 11%, they say.

Alcohol hearings

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Dingell dangles clout over alcohol hearings

By STEVEN W. COLFORD

WASHINGTON—Looming over last week's Senate hearings on alcohol advertising was the unseen presence of Rep. John Dingell, chairman of the House energy and commerce committee and generally regarded as the man on the Hill whose views can make or break an issue.

When Sen. Paula Hawkins (R., Fla.) convened the hearings before her alcoholism and drug abuse subcommittee, she attested to her impartiality on the issue, then characterized the consumer crusade against beer

Industry forces were generally satisfied with the opportunity to present their views—that no one has come close to proving a cause/effect relationship between beer and wine ads and alcohol abuse; that advertising dollars are devoted to expanding market share, not consumption; that the First Amendment protects advertising. But they nevertheless muttered aloud that the Mormon senator from Florida failed to grasp their arguments.

Even after James Miller III, chairman of the Federal Trade Commission, disavowed any intention of immersing his agency in the dispute and suggested that an ad ban could prove counterproductive, the advertising interests grew restive.

But there was still the powerful Rep. Dingell to contend with. As commerce committee chairman, the Michigan Democrat sits in the driver's seat as far as determining whether House legislation will get an appropriate committee airing or be consigned to withering on the statutory vine.

And in the Senate, Sen. John Danforth (R., Mo.), whose hometown of St. Louis is also home to Anheuser-Busch, chairs the commerce committee.

Before the Senate hearings, Rep. Dingell told *Adver-*

(Continued on Page 84)

The issue of alcohol advertising has provoked controversy worldwide. Story on Page 70.

and wine ads on tv and radio as a "runaway freight train." Nearly five hours later, she closed the one-day session by denouncing the "subliminal" effects of alcohol ads on the public, especially youngsters who, she maintains, start down the road to perdition with a beer in hand, then graduate to hard liquor and, finally, drugs.

Highlights

Seiko Time Corp. recently divided its three lines into three separate marketing categories. In the wake of this split, the company will hike its 1985 ad budget to \$30 million-plus, 20% above the 1984 budget. See Page 4.

The U.K.'s United Newspapers is on the prowl for U.S. acquisitions. See Page 6.

New Saturn Corp. president William Hoglund has an accountant's penchant for precision, an itch to plan ahead. See Page 6.

The battle for advertisers' coupon-promotion budgets is sure to heat up as General Marketing Corp. joins the "big four" producers of freestanding coupon inserts to Sunday newspapers. See Page 10.

It looks like "flash"—this time "Hollywood Wives"—again will trash most of its prime time competition. But that isn't likely to keep ABC out front or solve its series-related problems, industry observers say. See Page 12.

BMW of North America is trying to appeal to younger, more affluent buyers with a new line of upscale motorcycles, while not

it's President Reagan's federal budget. See Page 66.

International studies attempting to link beer and wine ads on radio and tv to alcohol abuse are finding the relationship is slim to none. See Page 70.

CORPORATE CLOSEUP

Despite serving only a small region, Giant Food is the nation's 10th-largest food chain by volume and commands a whopping 41% share of the Washington market, at the expense of industry leader Safeway Stores. See Page 4.

FORUM

Stuart Cohen, writer and photographer, laments the selling of "excellence." See Page 18.

How does tv critic Marvin Kitman explain the proliferation of shorter and shorter tv commercials? Easy—coke's it. See Page 18.

INTERNATIONAL

Brazil's leading private airline, Varig, traditionally has avoided the global-marketing bandwagon, but that's now changing. See Page 48.

Defying the skeptics, DYR, a hybrid of the world's two largest shops, Dentsu and Young & Rubicam, is emerging as the only new successful international combination of a Japanese and U.S. agency. See Page 48.

A 52-year tradition ended when Tour de France officials announced that Coca-Cola would replace Perrier water as the official drink for the summer bicycle race. See Page 48.

VIDEOTECH

The beleaguered cable tv industry achieved a dubious landmark when the first cable operator serving a major metropolitan area, CommuCom, filed for bankruptcy. See Page 62.

COMING THURSDAY

SPECIAL REPORT

Companies serving the newborn and infant market are all smiles as they greet the rising number of births to the maturing baby-boom generation. Marketers find these first-time parents are eager to spend their money on quality products for their little ones.

REGULAR FEATURES

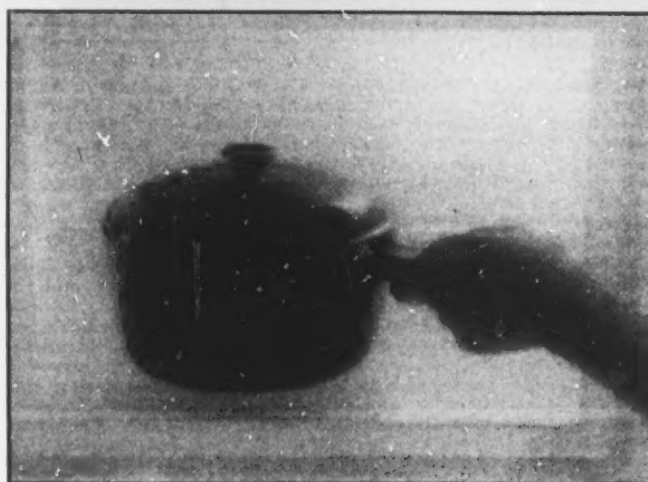
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Some like it hot

High-speed footage of a laboratory test shows a metal saucepan placed inside a Visions glass saucepan melting down when the temperature approaches 850 degrees. In this tv spot for the Corning Glass Works cookware, an announcer notes Visions "withstands heat that turns ordinary saucepans into sauce." The commercial, originally created by Gough Willoughby for airing in Australia, is scheduled to break in the U.S. in the middle of March. Benton & Bowles, New York, adapted the commercial for this country.

Valentine's day comes early

Advo loses heart

By PAUL L. EDWARDS

NEW YORK—Jack Valentine last week unexpectedly resigned as ceo of the Advo System/John Blair Marketing division of John Blair & Co.

Mr. Valentine's departure, for personal reasons, comes less than a year after he and a partner sold Advo System, Hartford, Conn., to John Blair for \$40 million and an unspecified percentage of future profits. When Mr. Valentine and

his partner purchased Advo in 1976, the company was losing \$1 million a year. Last year it had revenues exceeding \$400 million.

In October, half a year after Blair bought the company, Mr. Valentine was promoted to ceo from Advo president when the \$414 million diversified marketing company underwent a reorganization that resulted in some 40 persons being let go.

Replacing Mr. Valentine at Advo (Continued on Page 89)

McNamara skips to McCann

Agency McMove

By STEWART ALTER

NEW YORK—John (Jay) McNamara, president of Young & Rubicam USA, will move in March to McCann-Erickson Worldwide as its top U.S. agency officer.

The 22-year veteran of Y&R rose to president in November, 1982. He now will become vice-chairman at parent McCann-Erickson Worldwide and chairman of McCann-Erickson USA. The

latter is a new post. All nine U.S. agency offices will report to him.

Mr. McNamara, 50, will join McCann at the same time Robert James becomes ceo (AA, Dec. 20) at the parent. Mr. James, currently president, has had many of the U.S. and international agencies reporting directly to him.

In explaining his selection, Mr. James cited Mr. McNamara's "super track record" in agency (Continued on Page 89)

IF YOU MISS THIS SPECIAL OPPORTUNITY TO BUY A BMW, DON'T WORRY. THERE'LL PROBABLY BE ANOTHER IN 62 YEARS.



offending those aficionados who made the old model a cult bike. See Page 36.

A cat should have as many lives as the notion of advertising on public tv. Every time it appears that Congress has spiked the idea, something comes along to revive the concept. This time,

Targets Nielsen service

SAMI unveils a drug report

By JACK HONOMICHL

NEW YORK—Selling Areas-Marketing Inc., the third-largest U.S. market-research company, is launching a new-product-movement measurement service against its archrival, A.C. Nielsen Co. The target: Nielsen's syndicated Drug Index service, estimated to account for about \$25 million of Nielsen's U.S. revenues.

SAMI's new drugstore tracking service will report movement on 420 product categories, including over-the-counter drugs and health & beauty aids, through chain and independent drugstores. The service will be on-line by April in Chicago, Los Angeles, New York and San Francisco. Ten areas will be on-line by yearend and 18 by June, 1986, according to SAMI.

SAMI uses warehouse withdrawal figures to gather its data; Nielsen uses the conventional invoice audit system.

"This is just one of the first steps in a program to expand SAMI information services," said Carlyle Daniel, president of SAMI. He

added that further new ventures will be announced later this year. The main service of SAMI, a subsidiary of Time Inc. since it was founded in 1966, is a local-market and national projected data series on grocery-products movement from food-operator warehouses to retail grocery stores in 54 markets that account for more than 86% of national food-store sales.

This service competes head-on with the Nielsen Food Index service in the U.S., and, according to Mr. Daniel, this portion of its business in 1984 continued 18 consecutive years of growth.

Nielsen's Drug Index, which was founded in 1933, was that company's first nationally syndicated service, predating the Food Index by about seven months. It has had no major U.S. competitor.

According to Mr. Daniel, the new SAMI service will provide clients with report formats and servicing akin to what has been offered on food products; local-market geographical definitions will be the same as those now used for SAMI grocery-product reports. #

Crain names Morrow

DETROIT—William A. Morrow has been appointed senior vp-operations of Crain Communications Inc., effective April 1.

Mr. Morrow, managing tax partner of the Detroit region offices of Touche Ross & Co., will be responsible for all financial, legal and administrative operations of Crain and its subsidiaries.

Crain publishes ADVERTISING AGE and other business and consumer publications.

"We are delighted to have someone with Bill's experience and knowledge joining our



W. MORROW

company to assist us in the continued growth of our publishing base," said Rance Crain, president, and Keith Crain, vice-chairman, in a joint statement.

Mr. Morrow, a member of the bar and a certified public accountant, will be based in Detroit. #



Halsa: How Swede it is

Five European-looking beauties are helping S.C. Johnson & Son, Racine, Wis., introduce its new line of Halsa Swedish Botanical shampoos and

conditioner (AA, Nov. 12). The \$13 million national print and tv campaign kicks off at the end of this week via J. Walter Thompson USA, Chicago.

World News Roundup

TORONTO—Labatt Brewing Co. has pulled its estimated \$30 million account out of J. Walter Thompson Canada because of a conflict with Miller Brewing Co., which JWT USA won last year (AA, Nov. 15). Young & Rubicam and Scali, McCabe, Sloves are pitching for Labatt's major brand, Blue, which bills \$20 million. Scali assumes all media buying, and McCann-Erickson picks up three Blue line extensions.

LONDON—Mars Confectionery has shifted two brands from D'Arcy MacManus Masius to its other U.K. agencies. Ted Bates Holdings picks up Marathon (\$3 million), and Allen, Brady & Marsh gets Topic (\$2 million). DMM still has Mars bars and other Mars accounts.

SCHWABACH, WEST GERMANY—Procter & Gamble, through its Bittmeyer subsidiary, is kicking off its first campaign for Valensina orange juice, via Saatchi & Saatchi Compton Worldwide. The theme is "Choosy mothers choose Valensina."

LONDON—Anheuser-Busch, which already markets Budweiser in the U.K., will launch Michelob here this year through local brewer Watney, Mann & Truman. Marsteller Little & Strodl will handle. Budget has not been released.

BUENOS AIRES—Hiram Walker SA has moved its liqueur account to Ruben Maril, a new shop founded by Mr. Maril, from (Continued on Page 50)

Argo aims video idea at AT&T

By BRIAN MORAN

NEW ROCHELLE, N.Y.—Argo Communications, one of the newest telephone companies to challenge AT&T in the long-distance market, this week will expand its assault to another potential AT&T stronghold—teleconferencing.

Argo, a partnership of five U.S. and French telecommunications companies, will introduce a service that permits color video conferences to be held over ordinary telephone lines at prices about double those charged for regular tele- (Continued on Page 83)

Ad pressure mounts for European tv

Private, cable players put heat on

By LAUREL WENTZ

LONDON—Folks like Clara Peller, Mr. Whipple, Josephine the plumber and Madge the manicurist are strangers to most European tv viewers, but all that may be changing.

The reason: European state-owned tv networks, which have prohibited commercials for years, are now being pressured to open up new airtime to advertisers. In some cases, this means accepting ads for the first time.

The pressure is coming mostly from growing competition—either new, private tv channels or satellite-beamed cable channels that soon will blanket Europe.

The outcome is good news for advertisers, particularly U.S.-based global ones, that have complained the loudest and longest about the lack of commercial tv time.

Within the last year, broadcast-ers in some European countries

have started taking advertising for the first time; in other countries, they have decided to increase the amount of commercial time available to advertisers.

Even the U.K.'s British Broadcasting Corp., traditionally disdainful of advertising, has been shaken by Prime Minister Margaret Thatcher's recent hints that she would be glad to see the BBC support itself with advertising.

On the Continent, the French government may increase advertisers' options by allowing some tv stations to operate privately, a big step for an industry traditionally run by the government. Belgium is moving toward allowing brand-name marketers to advertise on tv for the first time, and Norway, with no previous tv advertising, will plug specially produced spots into a weekly program for two months this year.

"I forecast within five years every country in Europe will take

advertising," said David Wood, a London-based Ogilvy & Mather media executive.

Options now are limited for both viewers and advertisers. Of 16 western European nations, 10 have only one or two land-based tv channels—and they often are dull. Advertisers in some countries have to book tv time as much as a year in advance—if they can get it at all. Nine countries allow fewer than 60 minutes of advertising per day (compared with an average of 540 minutes in the U.S.).

In the U.K., the BBC is pleading for a 40% increase, to \$84.50, in the revenue-producing annual color tv license fee charged to set owners. At the same time the ad industry and some politicians are calling for ads to be introduced on some of the BBC's two national tv channels and four radio networks.

D'Arcy MacManus Masius recently concluded in a study that (Continued on Page 64)

Europe tv ad time

Country	Total channels	Channels with ads	Ave. adv. per channel*	Total adv. minutes*
Austria	2	1	20 min.	20 min.
Belgium	5	1	68 min.	68 min.
Denmark	1	—	—	—
Finland	2	2	12 min.	25 min.
France	3	3	18 min.	54 min.
Germany	3	2	20 min.	40 min.
Greece	2	2	55 min.	110 min.
Ireland	2	2	42 min.	83 min.
Italy	7	7	80 min.	560 min.
Netherlands	2	2	15 min.	30 min.
Norway	1	—	—	—
Portugal	2	2	68 min.	135 min.
Spain	2	2	50 min.	100 min.
Sweden	2	—	—	—
Switzerland	3	3	20 min.	60 min.
United Kingdom	4	2	70 min.	140 min.
Europe average	3	2	34 min.	94 min.
United States	3	3	180 min.	540 min.
*Per day				

ACCOUNT CHANGES

Warwick adds Sterling shop

NEW YORK—Warwick Advertising, which has handled \$7 million to \$8 million in Sterling Drug billings, has added another \$12 million to \$14 million as a result of acquiring Thompson-Koch Co., Sterling's in-house ad agency.

Besides adding about a dozen employees, Warwick will add Midol, d-Con and Campho-Phenique to its roster of products. Terms of the acquisition were not disclosed.

Other accounts moving:

Fremarques Ltd., Westport, Conn., to **David C. Burleigh Associates**, New York, for new-product introductions including Dasquesne rum and Saxon Apple Schnapps. No previous agency.

Fiedmont Industries, New York-based apparel marketer, to **Rockmore, Mosalem, Bloch & deLeo**, a new agency formed by four former senior vps from AC&R Advertising: Patricia Rockmore, Mitch Mosalem, Bruce Bloch and Michael deLeo. No previous agency.

Esselte Pendaflex Corp., U.S. division of Esselte AB, New York, international marketer of Pendaflex hanging file folders, Oxford filing supplies and Dymo Labeling Systems, to **Feschina, Selkowitz** for all consumer and trade advertising, from J. Walter Thompson USA. Annual budget exceeds \$1 million.

Mica Corp., Culver City, Cal., producer of copper-clad glass laminates for use in printed computer and electronic circuit boards, to **Darryl Lloyd Inc.**, North Hol-

lywood, from Robert A. White Advertising, Pasadena. Budget estimated at \$250,000.

Trenomed, Irvine, Cal., marketer of cable assembly systems, to **R.L. Couch & Co.** from Marketing Directions.

Impell's Computer Systems Corp., San Francisco, marketer of computer-aided design and engineering systems for the electric utility industry, to **Livingston/Sirois Advertising**, Belmont, the first agency.

General Parametrics, Berkeley, Cal., manufacturer of VideoShow business presentation graphics system, to **Van Bronckhorst Group**, Mountain View, from Gardner Communications. Also to **Van Bronckhorst S-MOS Systems**, San Jose, manufacturer of CMOS semi-conductors, from Imahara & Kepp.

Wonder Corp., Norwalk, Conn., marketer of flashlights, lanterns, camping and energy equipment, to **Melger Nordlinger Inc.**, New York, from in-house.

New York state department of agriculture and markets to **Henderson Friedlich Graf & Doyle** and **Arthur D. Little Inc.** to jointly handle a new \$225,000 marketing study for its foods and wines.

QuinnEssentials, New York marketer of computer software, to **Franzmeier & Cusack**, New York, for its \$1 million advertising and public relations account. No previous agency.

Philips Business Systems, Woodbury, N.Y., marketer of dictation and transcription systems, to **Greenstone & Kahn** Advertising, Melville, for advertising and public relations from Geer, Dufon, New York.

Applied Computer Products Corp., Huntington Valley, Pa., marketer of IBM-compatible software and peripherals, to **Thomas J. Paul Inc.**, Jenkintown, for advertising and to **Rosen-Cohen Agency**.

Jenkintown, for public relations. No previous agencies.

Whitesmiths Ltd., Concord, Mass., marketer of computer systems software, to **G/H Public Relations**, Watertown, from Industrial Marketing Associates. Budget about \$50,000.

Dayton Newspapers, Dayton, O. to **Willis Case Harwood Advertising** from Needham Harper Worldwide.

Spring Valley Bank & Trust Co., Jasper, Ind., to **Engelhart, Johnson & Associates**, Indianapolis, its first agency.

Federal Express, Memphis, to **Telephone Marketing Programs**, New York, first agency for Yellow Pages advertising for two units, ZapMail and the international division.

Willow Chase Fashion Center, Houston, Western Development Corp.'s first Texas project, to **Vollmer Public Relations**, first agency.

Corn Popper, Dallas, franchisor of gourmet popcorn stores, to **Howard, Merrill & Partners**, its first agency.

Europe

(Continued from Page 3)

selling just 15 seconds of advertising per hour on the BBC would bring in \$75 million a year and enable the annual tv license fee to be frozen at the current \$60.

The "Beeb" is against the idea, fearing that the pursuit of advertisers would lead to a sordid ratings war with ITV, a commercial network, and an invasion of tacky American and American-like soap operas, mindless sitcoms and inane game shows—even though the BBC already runs "Dallas" and "Dynasty," for example.

Most media watchers think the broadcasting corporation will stay ad-free until the new three-year tv license period, beginning in April, ends.

Belgium's two French-language tv channels began accepting service and generic ads in 1984, and a law allowing brand advertising is expected to pass later this year.

"Now you can say something like 'Drink more coffee' as opposed to 'Drink more Maxwell House coffee,'" said a London-based agency media director. "That's not really what we want."

Tightly controlled France and Germany, after years of doling out a few commercial minutes per state-owned channel, could be heading for an explosion of advertising minutes with the advent of private tv.

French President Francois Mitterrand has indicated that privately owned tv may be allowed regionally in France for the first time, providing an alternative to three unexciting state-owned tv networks.

The sporadic appearance of pirate tv signals may be adding impetus for private tv. Popular pirate station Canal 5 was quickly shut down but hopes for permission to become a legal, private channel.

"We think Mr. Mitterrand will probably agree to private local tv stations by the end of 1985," said Didier Colas, Ogilvy & Mather's Paris-based media director.

Mr. Colas said private tv probably will follow the pattern of commercial radio, in which private, regional ad-supported radio stations were allowed to set up two years ago.

Germany's plans for ad-supported private tv are confusing. In January a group of German publishers launched SAT 1, a cable tv channel that was allowed to fill an unprecedented 20% of airtime with ads and even run them after the traditional 8 p.m. cutoff time. The catch is that only 1% of German households—about 250,000 homes—can pick up the cable station.

Another private tv station, RTL-Plus, reaches only 4% of West German homes. All others need a \$500 home satellite dish to pick up the RTL-Plus signal.

At this point, no one is sure which will grow faster: The cabling of Germany or sale of satellite dishes.

In Italy, private tv has already run amok and trampled the three government channels RAI 1, 2 and 3. When the state broadcasting monopoly ended in 1976, some 500 private tv stations mushroomed and RAI's ratings collapsed.

Now, private networks stuff as much as 20% of their most popular programs with commercials. Entrepreneur Silvio Berlusconi, who owns the main private networks, rakes in the lion's share of Italy's \$700 million annual tv revenues.

A dazed post-monopoly RAI finally is fighting back. For the first time, RAI, which used to sell only 2.5% to 3% of its airtime to advertisers, is hitting its ceiling of 5% commercial time per hour of programming, said Mario Bianchi, Lombardia regional director for SIPRA, RAI's space concessionaires.

Last year, RAI relaxed rules, for the first time allowing spots to run for automobiles (previously banned as unwanted competition for domestic auto maker Fiat) and luxury goods from pet foods to furs.

"Before, RAI waited for the advertisers to call on it," Mr. Bianchi said. "Now, SIPRA goes to the clients. It's the first time ever."

It is hard to imagine having less to watch on tv than in Scandinavia, where Norway and Denmark have a single channel each (Sweden has two). Europe's last holdouts against commercial tv, the Scandinavian countries have grimly resisted pro-advertising lobbies. But their governments are beginning to realize that with the spread of satellite-carried cable programming, Scandinavians will see ads whether their governments like it or not.

In that spirit, Norwegian state tv channel NRK has invited interna-

tional ad agencies to produce commercials to run in a Saturday night entertainment program airing for eight weeks in the first quarter of 1985. However, the spots must be for noncommercial or generic products.

Despite the trend toward more opportunities for advertisers on European tv, demand continues to outstrip supply.

Swiss agency A.G. Fuer Werbefernsehen, which handles all advertising for Switzerland's state-owned French, German and Italian-language networks, estimates its \$55.6 million annual revenues could be increased by at least one-third if more spots were available for sale.

Even outside Europe, the movement to open up more commercial tv is taking place.

The Israeli government is discussing ground rules for commercializing its state-run, one-station network, which was modeled after the BBC.

The government already has said it will eliminate the 3% subsidy of the broadcasting authority, and last year it opened the door to program sponsorship. Industry sources predict full-fledged commercial programming is inevitable as pressure mounts from advertisers and the economic situation in Israel continues to worsen.

Contributing to this story were Dagmar Mussey, Duesseldorf; Gary Yerkey, Brussels; John Parry, Geneva; Marina Specht, Barcelona, and Robert Rosenberg, Jerusalem.

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Libby's salmon ads have national scale

By JULIE FRANZ

CHICAGO—Libby, McNeill & Libby will break its first national campaign for canned salmon products in March and April issues of women's magazines.

This is a decided departure for Libby. Since its three canned salmon products first appeared on store shelves 75 years ago, the marketer has relied mostly on regional newspaper and store ads.

Libby is the leader in the canned-salmon segment, with a 15% share nationwide, analysts say. Bumble Bee Seafoods, San Diego, runs a close second. Regional and local marketers account for almost half the business.

The new ad effort should build national awareness of Libby's canned salmon, a company spokeswoman said.

Libby's canned salmon is packed with skin and bones, unlike the new Chicken of the Sea brand salmon that Ralston Purina Co. is testing now (AA, Jan. 28).

Libby's ad campaign isn't a reaction to Ralston's new deboned, skinned salmon in a can, the Libby spokeswoman said.

Rather, campaign plans were set before Ralston began testing its new product. The Bloom Agency, Dallas, handles Libby's canned salmon. Ads will coincide with Lent, when salmon sales tend to be highest.

Themed "There is one word for salmon this pure, this firm, this delicious: Libby's," many of the ads will include 20¢-off coupons. They will run in *Family Circle*, *Good Housekeeping*, *Health*, *Ladies' Home Journal*, *McCall's*, *Sunset* and *Working Mother*.

Libby's salmon comes in red, pink and keta varieties. Red is the highest grade and keta the lowest.

It is packaged in 15½-oz. cans and retails for \$2 to \$3 a can, depending upon the grade. The product also is sold in 7½-oz. cans retailing for \$1.30 to \$2.

Libby's campaign also includes point-of-purchase materials.

There's one word for Salmon this pure, this firm, this delicious:

Libby's

Libby's Libby's Libby's

Red Salmon

20¢ Off

Libby's salmon is packed with skin and bones, unlike the new Chicken of the Sea brand salmon that Ralston Purina Co. is testing now (AA, Jan. 28).

Libby's ads for its canned salmon products are timed to coincide with the Lenten season.

Beer ads: Hooray for the red, white & brew

By SCOTT HUME

Miller Brewing believes the new "Made the American way" product-quality campaign for its High Life brand is the best approach to reversing that beer's sales slump.

It is such a good approach, in fact, that both archrival Anheuser-Busch and up-and-comer Adolph Coors will be battling back with similar approaches to help their sales. Coors this year also will be taking its message to network tv.

The High Life campaign J. Walter Thompson USA, New York, has crafted for Miller broke on network tv Feb. 10. Set to the beat of the Oak Ridge Boys' hit "American Made" (AA, Feb. 4), it continues the trend in beer advertising toward celebrating American virtues along with beer quality.

Milwaukee-based Miller also has altered its label to include an American eagle, as the original Miller label did in 1855.

Radio, outdoor and magazine advertising support.

Miller's campaign will compete with the expanded "corporate quality" advertising D'Arcy MacManus Masius, St. Louis, has prepared for St. Louis-based Anheuser-Busch (AA, Feb. 4) and what executives at Golden, Colo.-based Adolph Coors call the new "distinctiveness advertising" from Foote, Cone & Belding, Chicago, for its Coors brand (AA, Jan. 31).

"The idea that beer is an emotional reward for a hard day's work was the basic theme of beer advertising for years. And it worked, as the longevity of 'For all you do, this Bud's for you' and 'Welcome to Miller time' attest," said Jerry Steinman, publisher of *Beer Marketer's Insights*. "Now the theme is becoming 'quality,' per-

haps because the old message was wearing out or because the business is changing."

The change that is most significantly dictating the shift in beer advertising, analysts and beer executives said, is not the rising tide of anti-alcohol sentiment, although brewers take the threat of a tv ad-

New 60-second versions of the 90-second spot A-B has run occasionally since November have been added to its commercial pool. Their appeal to patriotism is sounded in the refrain "Made in America, that means a lot to me. I believe in America and American quality." Print versions soon will

ent reason Coors claims to be different from other beers. These include Coors' refusal to pasteurize its beer, its "cold aging" process and its reliance on a single brewery to produce all its beer. "Coors thinks like a brewer, not a corporation," he says in one spot.

"This campaign represents more a fine-tuning than a change of strategy," said Coors vp-marketing Rob Klugman. "The 'Best of the Rockies' theme we had been using was good, middle-of-the-road beer advertising, but we didn't think consumers were taking the points about quality we've been making seriously enough."

Coors told its distributors at meetings that ended last week that its move into New England (making it available in 44 states) will make it a national brand, finally ready for national advertising.

The "Coors is the one" campaign (and the continuing "Turn it loose with the Silver Bullet" campaign for Coors Light) will begin airing on prime time network tv during the second quarter.

But Mr. Klugman admitted the networks' exclusivity arrangements continue to stymie Coors' efforts to buy time during network sports programming.

"We've had low-key discussions with the networks about the exclusivity deals for years and told them those arrangements are improper and probably illegal," he said. "Their reaction has been 'Gee, we hear you, but we can't help you there. But how about eight minutes during the 'Triathlon of the Network Stars'?" In sum, they haven't been terribly helpful."

Coors also told its distributors that it will begin test-marketing a new brand, called Coors Extra Gold, during the second half of the year. It is expected to be a heavier-

tasting premium beer, replacing the Coors Golden Lager brand, which failed in test last year (AA, Oct. 25). It is unlikely that Extra Gold will be a low alcohol brand.

"We've done our homework on that category and we still believe there is low consumer demand for it. Frankly, we're surprised how other brewers have approached it both in the marketplace and in the courtroom," Mr. Klugman said.

A-B, whose LA brand pretty much owns the low-alcohol category now, isn't ruling out further additions to its product line. Observers speculate the No. 1 brewer may test a nonalcoholic beer and add an import to its stable.

"There's going to be new-product availability for us," Mr. Sharbaugh agreed, without offering specifics. "And that is another reason for the 'quality' campaign. It serves as an umbrella under which all our beers can be tucked."

The aggressive new campaigns from Miller, A-B and Coors threaten to turn the beer market into a three-company race. The two other major brewers, La Crosse, Wis.-based G. Heileman Brewing and Detroit-based Stroh Brewery, are tangled in the struggle for Milwaukee-Pabst.

Last week, Pabst's board said it would not oppose a renewed \$10-a-share bid from California financier Paul Kalmanovitz' S&P Co. That bid came after Stroh and Philadelphia-based C. Schmidt & Sons successfully sued to halt Heileman's attempt to take over Pabst.

Adding another lawsuit to a situation that hardly needs another, S&P last week filed suit against Stroh in a San Francisco federal court, charging it with predatory pricing of its low-end beers and with interfering with S&P's attempts to purchase Pabst.

Major breweries' 1984 results

Anheuser-Busch, the only major brewer to report increased beer shipments for 1984, has increased its share of the market to an estimated 36%. Miller Brewing posted no growth despite introducing new brands. Figures are barrels shipped in millions. Source: Brewers' figures.

Brewer	1982	1983	1984
Anheuser-Busch	59.1	60.5	64.0
Miller Brewing	39.3	37.5	37.5
Stroh Brewery	22.9	24.3	23.9
G. Heileman Brewing	14.5	17.5	16.8
Adolph Coors	11.9	13.7	11.6

vertising ban seriously. The more immediate threat is the lack of gusto in beer sales.

While estimates of total 1984 beer barrelage vary, industry analysts agree that total 1984 shipments fell below 1983 levels (itself a no-growth year). Among the major brewers, only Anheuser-Busch reported an increase (5.8%) in barrelage. Miller reported a flat year, with improvements for its Lite, Meister Brau and Milwaukee's Best brands offsetting the continued decline of High Life.

All other major brewers (including Coors, whose production dipped 4%) registered decreases.

A-B, which now commands perhaps 36% of the market, is secure enough to use its quality campaign as an adjunct to continuing product campaigns for individual brands.

appear in news, sports and lifestyle magazines.

"The brewing industry is in a period of change," said A-B vp Tom Sharbaugh. "There's going to be some shaking out of players, and there are the problems of excess capacity and [low-cost-] price beer."

"As our competitors get more and more into price beer, we felt we needed to have another weapon rather than be forced to 'duke it out' in the price arena. That weapon is the message that our beers are a cut above the rest."

Adolph Coors Co. disagrees. The "Coors is the one" campaign for its premium brand that broke last week makes a similar superiority claim while taking the product-quality message to new lengths.

In each of six spots, actor Mark Harmon calmly examines a differ-

Dingell

(Continued from Page 2)

TISING AGE he has seen no evidence to support cries for either legislative or regulatory intervention into alcohol advertising.

He shoved the burden of proof that government intervention is needed onto the Center for Science in the Public Interest and other advocates of an alcohol-ad ban.

"They have to prove that alcohol advertising is bad, not the other way around," said Rep. Dingell, whose constituency, until a 1980 redistricting, included Detroit, home of Stroh Brewery Co.

The House commerce committee's telecommunications subcommittee, chaired by Rep. Timothy Wirth (D., Colo.), is expected to hold its own alcohol advertising hearings, perhaps jointly with the commerce, transportation and tourism subcommittee chaired by Rep. James Florio (D., N.J.).

FTC chairman Miller acknowledged that some beer ads and promotions "come close to the edge," especially college-campus events. But he said most alcohol advertising on tv and radio "seems well within bounds unless the argument is whether alcohol should even be allowed."

Sens. Strom Thurmond (R., S.C.) and Thomas Eagleton (D., Mo.) launched into varying lines of questioning. Sen. Thurmond, with a history of seeking to legislate health warnings on alcohol labels, announced, "I'll certainly favor anything to reduce the consumption of alcohol by young and old."

Sen. Eagleton, without prompting by aides, pursued several avenues, bringing out the argument

that market share is a be-all for alcohol advertising, and wondering where he might find "evidence" of a causal relationship between alcohol ads and abuse.

But he also jumped on the industry for its college promotions. "Breweries are spending \$15 million-to-\$20 million a year on these," he said. He asked if the FTC's jurisdiction extended to them.

Mr. Miller said the commission's inability to apply its unfairness authority for advertising rule-making cast doubt on whether it might be invoked for nonadvertising marketing efforts.

Besides calling on the industry to "clean up its act" for ads that might appeal to youths, Mr. Miller provoked advertising industry interest in his call for an interagency government committee "to aid in combating alcohol abuse through more effective use of resources."

Sen. Hawkins repeatedly quizzed witnesses about the use of ex-athletes, rock stars and celebrities in beer and wine ads, and referred to the Wine Institute's voluntary code prohibiting the use of athletes in ads.

Howard Bell, president of the American Advertising Federation, said he expects tightening of voluntary industry codes and regulatory changes on the use of celebrities in alcohol advertising.

The Bureau of Alcohol, Tobacco & Firearms is nearing completion of a proposal to broaden its regulatory restriction against using athletes in alcohol ads to include celebrities.

During the testimony of Eddie Fritts, president of the National Assn. of Broadcasters, Sen. Hawkins blasted daytime tv. "I've never seen more garbage than what's on tv from 9 a.m. to 7 p.m.

There's an abortion every hour, a divorce every half-hour and a glass in everyone's hand."

Mr. Fritts, after a brief defense of daytime programming, noted that the removal of beer and wine sponsors from tv could consign many sporting events to cable or pay-per-view tv—an argument supported by others.

Although the subcommittee balanced the pro and con panels with equal numbers of witnesses, the advertising industry panel spent more than three hours testifying and responding to legislative queries. The anti-advertising panel breezed through its presentations in little more than an hour, with the CSPI, National PTA and National Council on Alcoholism repeating their attacks on the targeting of youth by alcohol ads.

Sen. Hawkins leveled only a handful of questions in their direction, but spent several minutes conversing with Charles Atkins, author of a Michigan State University study on the effects of alcohol advertising.

Mr. Atkins, whose study is always cited by alcohol advertising foes, said the effects of media advertising were "minor" but made the audience, young and old, "more receptive" to drinking.

K mart

(Continued from Page 1)

own aggressive inventory reduction and promotional programs resulted in much heavier mark-downs than expected," he added.

The inventory reduction included deep discounting for some low-price merchandise that was

being discontinued as part of the upgrading process.

K mart's reorganization was partly to groom key executives for the next generation of top management, starting about 1987. Mr. Milley, in the newly created post of president of K mart stores group, is considered most likely to be K mart's next chairman.

He discounted reports K mart was taking broadcast advertising

in-house and said Ross Roy is growing in importance.

He noted that the award of K mart's Jaclyn Smith apparel line would add several million dollars in billings to Ross Roy and take up some of the slack caused by the end of the Olympics special advertising. He said Ross Roy's K mart billings for '85 would be about the same as 1984, minus the \$20 million in Olympics advertising.

Doctrine foes unfazed

By JANET MEYERS

WASHINGTON—Federal Communications Commission chairman Mark Fowler doesn't seem to care that he may be wasting time trying to repeal the Fairness Doctrine.

Asked last week how he will break through solid congressional opposition, spearheaded by Rep. John Dingell (D., Mich.), chairman of the energy and commerce committee, Mr. Fowler shrugged his shoulders and said he can't predict the future.

During the first day of testimony on whether the 1959 doctrine should be repealed, Mr. Fowler acknowledged that Rep. Dingell represents a formidable obstacle.

Earlier in the week, Rep. Dingell flatly warned he will block any FCC attempts to do away with the doctrine, which requires tv and radio stations to air both sides of controversial issues.

Rep. Dingell and others argue the commission lacks authority to repeal the doctrine and that only Congress can change it.

Still, Mr. Fowler, with the apparent support of three other commissioners, is moving ahead. He expects the agency to make its decision this summer, if, as is expected, commission attorneys decide the law is separable from the FCC code.

Witnesses at the FCC's two-day hearings—mostly network attorneys, journalists and special-interest groups—testified as to whether the doctrine is more of a hindrance to broadcasters than a protection for viewers.

"We carry some loads that the printed press doesn't have to bear," said Eric Sevareid, the veteran CBS newsmen, who supports the doctrine's repeal. Echoing Mr. Sevareid's comments, Bob Johnson, president of *Newsday* and vice-chairman of the American Newspaper Publishers Assn.'s telecommunications committee, said news-industry competition is enough to guarantee fair treatment of issues.

FEB

14

1985

February 14, 1985

Advertising Age

Thursday



*Love
letters
from
clients*

AA Thursday asks shops
to recall their memorable
"Valentines"—See Page 41

AA
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In the news

Brittle's brooding mood

Druidesque beings with six fingers; snakes with wings; two moons, and a cat with an owl's face. What are those mysterious faces saying beneath their capes and hoods? It's not the second coming of Hieronymus Bosch—it's an ad for a new whisky liqueur called Brittle, from Ireland. See Page 3.

Coupons meet computers

Coupons a la Carte, developer of an electronic, in-store coupon-distribution system, is planning next month to begin installation of its system in supermarket chains in northern and central New Jersey, the first time such distribution will hit the New York market. See Page 6.

It's Showtime for cablers

Showtime/Movie Channel, using a two-pronged direct-marketing campaign, is bolstering its support of cable operators that carry the network with telemarketing service and tv ads. See Page 7.

Wooden you know, Charlie

Martin Marietta executives have coaxed from retirement one of those old, popular performers who has been silent for a long time. Wisecracking Charlie McCarthy has hardly been heard from since his creator, Edgar Bergen, died in 1978, but he's now making a comeback, in tv commercials. See Page 42.

Fake fudge finds a friend

It's a front page story for the '80s: A syndicated columnist discovers Canfield's Diet Chocolate Fudge soda, and suddenly the Chicago bottler finds it can't keep up with the national demand. See Page 43.

Presstime

Needham D.C. chief quits

WASHINGTON—Jim Williams, exec vp-general manager at Needham Harper Worldwide's \$26 million office here, abruptly announced his resignation this week. Mr. Williams' departure after seven years as Needham chief here continues a top level shakeup at that office. Daniel Pollick, senior vp-director of client services and No. 2 man in the office, was forced out days earlier, agency sources said. Since September, the office has reported to Jim Kuras, who joined Needham as New York office president last summer (AA, Aug. 27). Mr. Kuras has assigned Joe Landy, exec vp-director of client services in the New York office, to serve as acting Washington office chief.

PM matches record share

NEW YORK—Philip Morris USA in 1984 captured 35.3% of the U.S. cigaret market, the first time any company has achieved a 35% market share since American Tobacco Co. did so in 1946, says industry analyst John C. Maxwell Jr. PM had 34.4% of the market in 1983. Its sales increased 6.3% in '84. Sales at Liggett & Myers, Durham, N.C., were up 18.9%; sales at R.J. Reynolds Tobacco Co., Winston-Salem, N.C., rose 1.2%.

Anheuser defends ads

ST. LOUIS—Anheuser-Busch exec vp Michael Roarty, speaking Feb. 12 to the adclub here, defended advertising as providing information that created acceptance for low-alcohol products, such as its LA brand. "We structured that brand to appeal to current beer drinkers, not, as [Center for

Special Report



Companies serving the newborn and infant market are all smiles as they greet the rising number of births taking place among the maturing baby-boom generation. These first-time parents are eager to spend their money on quality products for their little ones. See Youth Marketing Special Report, starting on Page 15.

Science in the Public Interest head] Michael Jacobson would have it, to entice nondrinkers to our consumer base," Mr. Roarty said.

BBDO profits spurt 25%

NEW YORK—BBDO International reports 1984 revenues of \$305.3 million, up 16% from '83, and net income of \$22.6 million, up 25%. In the fourth quarter, revenues rose 5% to \$82.2 million, and net income increased 9% to \$7.5 million.

Questron for Geer, DuBois

NEW YORK—Random House has named Geer, DuBois to handle Questron, a series of "electronic books" for children unveiled this week at the Toy Fair here. A \$4 million network tv and print campaign will break in August. Sussman & Sugar continues to handle Random's book account.

AT&T ads in 'Space'

PARSIPPANY, N.J.—AT&T Consumer Products, which assigned its consolidated \$55 million ad account to N W Ayer, New York, will break its first new commercials during CBS-TV's "Space" miniseries in mid-April.

CBS Magazines staff shifts

NEW YORK—CBS Magazines, in a round of realignments following its acquisition of 12 Ziff-Davis Publishing Co. consumer magazines (AA, Feb. 11), has named Paul Chook to exec vp-operations, from exec vp, Z-D consumer magazine division; Al Traina to exec vp-magazines from president, Z-D consumer magazine division; Paul Spillane to senior vp from vp-circulation, CBS (Continued on Page 43)

Brittle breaks new ground in liquor ads

By GAY JERVEY

It's April, and perhaps you're flipping through *Newsweek*. You stop, do a double take and stare in disbelief.

For the more you look, the more you see: Druidesque beings with six fingers; snakes with wings; two moons, and a cat with an owl's face. Is the sky threatening or merely dark? And what are those mysterious faces saying beneath their capes and hoods?

No, it's not the second coming of Hieronymus Bosch, and, no, you're not seeing things. Instead this is an ad for spirits...the liquid kind. The new whisky liqueur is called Brittle, an 80-proof import from Ireland that's being marketed by the William V. Elliott Co., New Britain, Conn.

"Believe me, I've seen a lot of new products go by, and this is going to be the next generation of whisky taste," said an excited Bill Elliott, who founded his wine and spirits marketing company in 1979 with little more than a few hot ideas, pallid funding and a long history in the spirits business, including several years as a top marketing executive at Heublein. (His contributions there included Boggs cranberry liqueur, Yukon Jack whisky liqueur and Malcolm Hereford's Cows, a product that caught on in a big but brief way in the mid-1970s).

The way Mr. Elliott tells it, his newest baby—which he himself dubbed Brittle, for its clean, cool sound—is reminiscent of an Irish concoction he fell for years ago while visiting there. Next month, Brittle will begin shipments to New Jersey, Connecticut, Rhode

Island, California and Massachusetts, with consumer advertising slated to start April 1, running in *Connecticut*, *National Lampoon*, *New Jersey Monthly*, *Newsweek*, *Omni*, *Penthouse* and *People*.

If the ad visuals are intricate, copy is short—but equally cryptic, saying only "When the moons slept and the sun took a nap, Brittle was born." William James Advertising, an in-house shop of the Elliott company that also does work for outside clients, is the agency for Brittle.

"I really don't think you get initial trial from liquor ads, but hopefully this one will be eye-catching enough to do it," Mr. Elliott said. "We wanted to do something totally unique, something that would appeal to all age groups, because we think Brittle's potential is unlimited in terms of target audience. We wanted to star the product in the most unusual surroundings and background. And the ad had to have a discovery visual, one that every consumer can read something different into."

No doubt about that. And to achieve such an elusive goal, Mr. Elliott commissioned Braidt Braldis, an illustrator whose recent work included the Time cover of Admiral Hyman Rickover.

The Dutch-born Mr. Braldis, 34, has been on the New York scene for four years. His work has appeared on the covers of *Science Digest*, and he has handled ad work for a range of companies, including Atlantic records, Random House, People Express and Levi Strauss.

The Braldis style, according to the New York-based Society of Illustrators, is known for its enormous (Continued on Page 43)



"I really don't think you get initial trial from liquor ads, but hopefully this one will be eye-catching enough to do it," says William Elliott, the man behind the new Brittle whisky liqueur.

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Baby food becomes more than a matter of taste

By Cara S. Trager

In interviews and focus groups, tots may clap their hands and lick their lips with glee, but if the strained peas or bite-size apples don't appeal to their mothers, those products will sit on the shelf.

In the baby world of Gerber, Beech-Nut and Heinz, the consumer to woo and win is mom. "If the food doesn't look good or taste good to mom, she probably won't buy it for baby," says a spokeswoman for Pittsburgh-based H.J. Heinz Co.

And today's mother is more demanding than ever about what food she buys and serves. "Food is an important factor because what her baby eats is one of the few things a working mother can control while she is away," says Salina Guber, president, Children's Market, New York, a research company. With more education and more money, but less time to spend with her child, today's mother emphasizes quality, nutritional value and convenience.

Consequently, baby food companies constantly are reevaluating the appearance, ingredients and position of their products. In direct response to mothers' complaints and resistance, baby food companies virtually have overhauled their product lines to remove or reduce salt and sugar content. As a result, the do-it-yourself baby food craze seems to have subsided.

"We don't hear about it as much," says Jerry Ward, director-market planning, Gerber Products Co., Fremont, Mich. Do-it-yourselfers had their heyday during the mid-'70s, he says, and even then they accounted for only 5% to 10% of the market.

Today's working mothers respond to convenience and nutritional factors most, Mr. Ward says. "If she makes it herself, she isn't sure of the freshness of the ingredients and she can't determine the amount of nutrients lost in overcooking."

Recognizing that the market is at a high point and consumer life styles are favorable to usage, baby food companies are hoping to position their products for toddlers as well as infants.

Lines such as Gerber's toddler-oriented meat sticks entree are designed to expand both the consumption of and rationale for baby food, Mr. Ward says, not to mention sales. Packaging, portion sizes, textures and advertising all have been adjusted in an attempt to lengthen the time when a child consumes the baby food products.

Such a strategy involves reaching mothers at the child's earliest stages of eating solid food and positioning their products as a supplementary food source until the child is at least 2 years old. Baby food companies divide their market into sequential eating patterns: The 4 to 6-

month-old, ready-to-eat strained foods; the teething baby, requiring larger portions, and the toddler, preferring chunky textures and some seasonings.

To help mothers identify the proper category as well as to facilitate product selection at point-of-purchase, companies color-code their offerings. In Gerber's case, a blue label means Strained foods for infants; a red label identifies Textured for juniors, and brown label indicates Chunky for toddlers.

To support this concept, Gerber—which controls 68.7% of the baby food market com-

pared with Beech-Nut's 17.3% and Heinz' 14.0%, according to industry estimates—runs an ad featuring three young children in various stages of development and showing the appropriate label for each. "To make sure baby gets the right food at the right age, look for the label," the ad advises.

Gerber's Chunky category, a relatively new line, replaced its Toddler Meals. Chunky offerings represent more of a bridge from baby food to table food than did its predecessor. The reformulated line features smaller pieces and less texture and is regarded as more appropriate for

children from 10 months to 3 years old, Mr. Ward says.

Because all mothers are concerned with the nutritional factor, he says, the appeal of Gerber's products is not limited to the upscale, working parent. Motherhood is a great neutralizer, Mr. Ward says, and most parents—regardless of education or income level—want the best for their children.

While officials at Beech-Nut Nutrition Corp., Fort Washington, Pa., may agree with that assessment, they say Beech-Nut's recently revamped line appeals to the upscale, working parent.

The new line, called Beech-

Nut Stages, is a four-part program created to match a baby's developing taste, texture and nutritional needs. Introduced last March, the line is divided into four developmental stages—1, 2, 3 and Table Time. It features foods appropriate for the youngest eaters—"which is up to a mother and doctor to decide"—through 2 years old, says Steve Most, vp-marketing.

Stage 1 is a variety of single-ingredient foods, designed to enable the mother to monitor her child's reaction to new tastes and foods. In targeting the quality-conscious mother, Beech-Nut features well-known brands and types of fruits and vegetables, such as Chiquita bananas, Bartlett pears, golden delicious apples, tendersweet peas and yellow cling peaches.

Stage 2 offers flavor combinations from the Stage 1 single-ingredient foods. Stage 3, which includes minibeats of fruits, vegetables and meats, expands a baby's taste horizons to include a mixture of foods.

Using well-known produce adds to the cost of Beech-Nut's baby food, which traditionally has retailed for about the same price as Gerber's. But Mr. Most says he is unconcerned because "if we can make baby food good, what does price mean? Mothers think they pay between \$1,500 and \$2,000 [a year], but that includes not only baby food but Pampers and Desitin. For baby food alone, a mother spends a total of \$150." The quality ingredients add only \$5 each year to the food bill, he says.

Mr. Most says he doesn't expect retailers will increase the price of Beech-Nut fare. "It's their way of getting mothers into the store, where they buy diapers, Desitin—and that's where stores make their money."

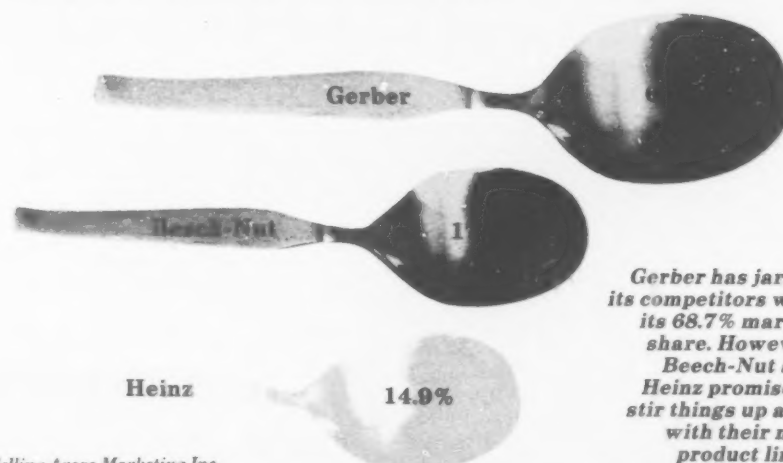
While the retailer is building store traffic, Beech-Nut is extending its stay on the highchair with Table Time, its fourth stage intended for the tot who eats table food. The line is positioned as a convenient alternative when the family fare includes such nontot dinners as chili and pizza or as an easy dish to leave for the baby sitter to serve.

"I am not going to change the behavior of the world," Mr. Most says. "But what I can do is to help people in the way they already live. With Table Time, they don't have to feel guilty about serving faster-paced food." Rather than turn to canned, ready-to-eat foods, which often include preservatives, salt and monosodium glutamate, mothers can serve one of Table Time's soup, stew or pasta dishes. "It's fun food that's not junk food," he says.

Table Time addresses the demands of parents who want to serve their child nutritional foods designed for developing digestions and palates, and yet still enjoy esoteric and ethnic meals—"wine and caviar, Chi-

(Continued on Page 18)

Baby food market helpings



Source: Selling Areas Marketing Inc.

Gerber dishes out more products

Gerber may be synonymous with baby food, but there's more to it than jars of Strained, Junior and Chunky varieties. Fremont, Mich.-based Gerber Products Co., the undisputed heavyweight in marketing food products for lightweights, is making a determined effort to put its proverbial finger in every baby product jar—not just those containing baby food.

Under the Gerber label alone, the company markets a range of baby items, including feeding and breast-feeding products, toys, apparel and accessories.

During the past few years, the company also has acquired a number of nonfood baby product-oriented companies. Its holdings, all of which operate as separate profit centers, include:

- Reliance Products, marketers of Nuk brand orthodontic bottle nipples and pacifiers;
- Century Products, car seats, walkers, high chairs;
- Bilt-Rite Juvenile Products, playpens, carriages, furniture;
- Okla Homer Smith Furniture Mfg. Co.;
- Walter Moyer, baby wear;
- Wooltex International, soft sculptures;
- Palo Alto Educational System, daycare centers;
- Bates Nitewear Co.;

- Hanksraft, vaporizers, humidifiers;
- Nursery Originals, lamps, mobiles, toys.

Beyond providing babies with the essentials and luxuries of childhood, Gerber is intent on addressing the interests of the newest crop of parents—those young urban professionals. To appeal to the upscale parent, in 1983 the company acquired two higher end apparel companies, Buster Brown, Chattanooga, Tenn., and Weather Tamer, Columbia, Tenn.

Weather Tamer, marketer of outerwear for children from the crawling to the driver's education set, and Buster Brown, marketer of fashion playwear, represent "well-thought-out departures" for Gerber, according to Steven Poole, a company spokesman. Both distribute their products through fashion, department and specialty stores, while the majority of Gerber's goods are marketed mainly through supermarkets and general merchandise stores.

"Our marketing and research people tell us that over 40% of current births are first-time births within the family and that parents and grandparents spend 10 times more on first-born infants than on subsequent

children," Mr. Poole says. "Young professionals can and do spend more on their children than their parents did."

Another way Gerber attempts to reach these well-heeled, high-spending parents is through Gerber Children's Centers. According to Mr. Poole, this "definitely high-end" subsidiary numbers 89 daycare centers—including 29 units of the recently acquired Palo Alto Educational System—in 10 states.

As a result of Gerber's holdings, food products accounted for 53.5% of \$805 million in total sales for fiscal '84, which ended March 31, 1984. But, according to Mary Vandeventer, security analyst with Widman, Blee & Co., Narbeth, Pa., Gerber would be wise to further emphasize nonfood, less-age-restricted products.

"Food is a slow growth area for Gerber, because it already has so much of the market," Ms. Vandeventer says. "When the [growth in] births ends and Gerber can no longer rely upon increasing food volume, it will have other areas to rely upon."

Mr. Poole states Gerber's rationale for acquiring companies that cater to the children's market very simply: "It's what we know best."

—C.S.T.

Cara S. Trager, a frequent contributor to Special Report, is the mother of Eric, 20 months.

Cashing in on children's smiles

By Carol Moog

About the second month of a baby's life, when seemingly endless feedings, diaperings and pacings have cranked the new parents' frazzle level to an electric high and pushed them to consider trading her in at the local pet shop, the baby smiles. It isn't just one of those random smiles that occasionally tag along with a sneeze or a burp—



The little girl is selling more than luxurious Ultra Sense pantyhose.

she smiled back at her parents.

Ingenious design. There's a powerful psychological function in that wonderful, irresistible smile. It's nature's lock on survival. And it works because it's part of our psycho-biological makeup to be suckers for kids.

So it's no accident that children in advertising are notoriously superb attention-grab-

bers. That's one of their biggest job assignments in life, and it's our job to respond.

But there is a tricky part. Just because children have the power to evoke such profound emotions, advertising has to be very clear on exactly how it uses children to target particular markets.

Simply put, children are used in advertising as:

- Borrowed interest;
- A skill;
- An emotional bridge,
- An identifying mirror.

The rather complex psychological processes involved in each of these approaches are best illustrated by analyzing some examples.

Traditionally, agencies incorporate images of children in ads in the hope of profiting from their borrowed interest. When used with warmth, sensitivity and focus, this strategy is honestly effective.

Sticking a picture of an adorable child into an ad practically ensures that a wide range of humans at least will look at it. However, unless the interest is not only borrowed, but also integrated with the verbal and visual components of the product message, the attention gained will be squandered.

Della Femina, Travisano & Partners' print ad for First Boston Corp. and Wells, Rich, Greene's campaign for Pan American World Airways, New York, unabashedly capitalize on

the magnetism of babies. Beaming forth from the competitive clutter of rational news and product benefits, the psycholog-

points, don't overload the intellectual circuits. People's cognitive fuses get blown when they're immersed in powerful

imagery, and many can't regain their logical, number-crunch-

ing capabilities quickly enough to process a heavy surge of dense, digital information.

In attempting to make an abrupt shift from imagery to reasoning, it is likely that First Boston's detailing of its accomplishments in engineering interest rate swaps misses the consumer's consciousness.

Second, when using children for borrowed interest value in adult product and service ads, it's important to objectively assess the appropriateness of a child's presence or portrayal. For example, in the Pan Am piece, the agency wanted the photogenic baby's diminutive size to highlight the 747's spaciousness—a strategy that works beautifully when she's waving happily from an airplane seat.

But the use of this same cherub could trigger disturbing associations when she appears inside the overhead bin. Parents of small children, whether or not they are the intended targets, do make up a significant part of the consumer market. This market is sensitive to the dangers of suffocation posed by enclosures such as freezers, which bear an uncomfortable similarity to the overhead bin. Not to mention the fear of falling.

The point is, an airplane lug-

Special Report: Critique

ical dynamism of these cheery images stops readers in their intellectual tracks.

Both ads attempt to anchor the interest they borrow by con-



American Express avoids projecting a "super woman" image.

ceptualizing their products as babies.

First Boston is symbolized as "The \$40 billion baby that the world hasn't adopted yet," and Pan Am sees its new Clipper Class as a "\$1 million" baby. Everybody—client, agency, consumer—feels very good about such creative, heartwarming images of interest rate swaps and business flights. The advertisers both come off looking very humanistic. So far so good.

From a psychological viewpoint, however, a couple of caveats should be considered before using the attention-grabbing approach. First, when moving from a high voltage emotional image to rational copy

Carol Moog, practicing psychologist and president, Creative Focus, Bala Cynwyd, Pa., advises companies of the psychological impact of their ads, teaches at the Charles Morris Price School of Advertising and Journalism, Philadelphia, and is mother of Julie, 11.

gaze bin is not a safe place for a baby to play. Spaciousness could have been demonstrated—without the risk of raising unpleasant specters—if the bin had been filled with toys, for example, and the baby was shown peeking at its contents from the outside.

A child used as a shill for a product, particularly one designed for adults, taps very different psychological processes



Neo-Synephrine plays on a range of emotions by using a sick child.

than those derived from borrowed interest. One of the ironic liabilities of the shill role, when a child actively is engaged in selling a product, is that the advertising gambles with losing one of the child's most salient "selling" points—her childishness.

Too often, child-as-huckster comes off as a contrived phony, (Continued on Page 20)

Pan Am Proudly Announces The Arrival Of Our Million Dollar Baby.

Pan Am's baby should stay in its seat, not in the bin.

Taste

(Continued from Page 17)

nese cooking," Mr. Most says. To attract this culinary subculture, Beech-Nut advertises Stages as "The New Generation of Baby Food."

The company is spending more than \$10 million this year in print and daytime and prime-time tv because "the traditional role of mother has been broadened," he says. "A lot of women are working or doing volunteer work—they're not standing in front of the tv ironing."

As a result of its tv buying strategy, Mr. Most says Beech-Nut is advertising more to non-users than users. Only 3% of the

audience it reaches has babies, he says, but because 75% will have a child some day, "we're not wasting our money. It's a cumulative effect." This strategy also pulls in what Beech-Nut calls "The Influencers"—new parents' mothers and mothers-in-law.

Heinz also wants to tell both moms and moms' moms that baby food is different. The company, which markets a regional brand of jarred baby food, is going national—reportedly in March after tests in the South, Southeast and West—with a line of Heinz instant baby food.

The line consists of 23 varieties of dried foods, packaged in foil-lined, resealable canisters. While it also touts nutrition and

convenience, Beech-Nut officials say the waste factor will set it apart in the market.

"Mothers use as much as they need—making the food as thick or thin as they want by just adding water," says Beth Adams, a Heinz spokeswoman. "There's no heating or refrigerating needed. Once opened, the contents can stay [fresh] for up to two weeks." Jarred food must be discarded two to three days after it is opened, she says.

Although the instant food, at 59 cents a canister, costs more than twice as much as Heinz' jarred variety, the instant version supplies two to four servings. The company's jarred baby food provides one to three servings. "But very often a baby

doesn't eat the full amount at a time," says Idamarie Laquatra, a Heinz nutritionist. She says company tests show that when the instant food is mixed to the consistency of the jarred food "the instant wouldn't fit into the jar."

Heinz is spending an estimated \$25 million in 1985, advertising the instant line in baby magazines, medical and professional journals, on prime-time and daytime tv and SIN Television Network. Heinz' jarred baby food is virtually unadvertised these days "because we are either second or third, and Gerber has the preponderant share of the market," Ms. Adams says. "That's Gerber's business, and it's not No. 1 in ours," rei-

terating the company's desire to carve a niche as the provider of instant baby food.

Whether babies will go for instant remains unanswered in many markets. But that may not matter. "We believe strongly that Heinz instant baby food is for today's new breed of parents," Ms. Adams says.

Indeed, baby may be the ultimate consumer, but he's far from the ultimate judge. At a time when mothers are climbing the corporate ladder, the buzzwords in the baby food game are quality, convenience and nutrition. There's more to winning mom than offering tasty textured, strained and bite-size apples, and baby food companies know it.



Purina Cat Chow plays off kids and kittens.

Parents don't just want to have fun toys

By Cara S. Trager

Toys are no longer simple playthings to brighten Bridget's day or fill Freddie's free moments. Rather, they have emerged as an important child development tool and as a means of easing working par-

on the fence for failing to teach Johnny to read. "A large percentage of parents aren't happy with the school system and feel they have to do more with their children, and they start at quite an early age," says Doug Thompson, president, Toy Manufacturers Assn., New York.

As a result, the buzzwords of child development—word recognition, hand-eye coordination, verbal skills, creative play—have been appearing as copy on toy packages and in accompanying booklets. "Such terminology is not foreign to a parent today," says Allan Blum, director-marketing, preschool products, Child Guidance, Secaucus, N.J. "Mothers like to be assured that their child will get something out of the toy."

To that end, Skillman, N.J.-based Johnson & Johnson Baby Products Co., which has 13% of the infant toy market, according to industry estimates, includes with its infant and preschool toys a booklet containing the product's educational and developmental value. For example, one toy, a large open-ended plastic ball with three smaller balls that fit inside, is supplemented by a 20-page booklet.

"Ten years ago, a toy company

would never have paid a psychologist to write a 'dear parent' letter," says Ms. Boehm, who wrote parental instruction guides for Selchow & Righter Co., Bay Shore, N.Y. "But educational credibility has to be part of a product."

As parents' education has in-

features and play value as well as child development," says Mr. Blum of Child Guidance, which along with Wonder, another division of CBS Toys, accounts for 12% of the market.

Educational features always have been incorporated into the company's toys, he says, but only recently has Child Guidance begun to tout them. "We felt they were obvious, but since others were beating their breast about them, we had to also. We are very cognizant of the baby boomers, their affluence and demographic position, and that a growing number of mothers want... superbabies," Mr. Blum says. "We're just changing our advertising to remind parents that it's there with Child Guidance."

But while parents are shopping for toys that will help them cultivate a superbaby, some marketers say mothers and fathers shouldn't lose sight of the fun factor. "We are not trying to make superbabies," says Al Carosi, vp-marketing services, Hasbro Bradley, Pawtucket, R.I., whose recently acquired, preschool-oriented Playskool products total 10% of the market. The value of these products, he says, is as much for entertainment as education. "Some toys

are toys, and they can't do much more than let the child enjoy him or herself."

Nevertheless, Hasbro Bradley offers a wide range of products that could answer parents' educational requirements as well as children's criteria for fun. These toys also provide working par-

Toy chest presence

Share of infant toy market, 1983



Fisher-Price	26%
Johnson & Johnson	13%
CBS Toys	12%
Hasbro Bradley	10%
First Years	6%
Others	33%

Source: The NPD Group, Fisher-Price

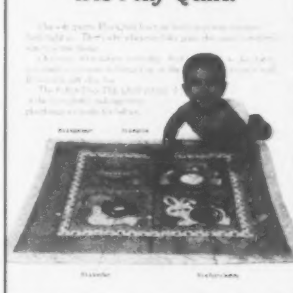
ents' guilt.

Faced with less time to spend with their preschoolers but more money to spend on them, working parents are demanding toys that, in their absence, develop, educate and teach rather than merely entertain.

"There's a great push to build the better baby," says Helen Boehm, a New York-based psychologist and toy industry consultant. "Because many parents today aren't home, they're looking for toys that are more stimulating and will help stimulate the baby sitter who would ordinarily just put on the tv."

Parents often believe the right toy can give Henry a head start. This concern comes at a time when many school systems are

Fisher-Price invents the Play Quilt.



Fisher-Price, a toy seller for 53 years, has added other products.

creased, so has the likelihood they will be fussy about toy purchases, Mr. Thompson says. Therefore, ads also emphasize toys' educational value. "From an advertising standpoint, we try to center on the toy—its



"Good Morning America's" Joan Lunden promotes Hasbro Bradley products.

ents with a vehicle to maximize "quality time," those after-work hours that corporate moms and dads spend with their children. Hasbro Bradley's Listen and Look books, for example, are designed for parents to read to

Plaything parties a great discovery

Upperware parties can't compare with a weekly event in my neighborhood—toy parties. These klatches don't come together for any old toys, but for upscale, sophisticated, European playthings, designed with the upscale, sophisticated, transcontinental parent in mind.

When I was invited to a friend's home for my first Discovery Toy party, I jumped at the chance. I was desperate to avoid the messy aisles, long lines and

the usual wait-for-a-price-on-the-unmarked-box delay.

Discovery proved more than convenient. It was intellectual, taking parenting and play to new heights. My friend, in a matter of seconds, assumed the position of "educational consultant," explaining the whys and hows of each colorful toy and handsome book.

Visions of the local toy store faded into the distance, as I sat with 10 other mothers, sipping

dcaffinated coffee, munching delicate pastries and learning the buzzwords of child development—verbal skills, hand-eye coordination, word recognition. Rattles were not just fun; their sounds and textures were keyed to developing the child during the crucial "sensory and motor" period.

We were encouraged to ask questions, to touch the toys, to play with them. Many of them were from Europe, designed to grow with the child. They ranged from unusual rattles to puzzles within puzzles to colorful building sets. The best selling toy, the Stack & Pop, costs \$12.98, and the average cost of a Discovery toy is \$8.50.

At the end of the two-hour party, all 10 of us wrote checks. The sell was soft but the message strong: Toys are critical to a child's development.

The marketing strategy of Discovery Toys, headquartered in Pleasant Hill, Cal., is well-positioned to reach today's new parents, who have more money to spend on their children but less time to spend with them. The company, which shuns the retail shelves, uses direct selling, with home demonstrations accounting for a large percentage of its estimated \$33 million 1984 sales.

"The home demonstration route helps the parent to cut down on the time spent seeking out the toy specialty stores," says Marcia Levine, senior manager-Northeast. Ms. Levine, a mother and former teacher, is a fairly typical Discovery consul-

tant, looking to remain active in the business world after having children.

The company was founded seven years ago by Lane Nemeth, a mother and former preschool administrator who wanted to give parents a chance to buy toys that previously had been available only to schools. She fine-tuned the Discovery concept in her garage.

Today, Discovery has educational consultants in all 50 states, Puerto Rico, Guam, the Virgin Islands and the U.K. Consultants operate independently, buying and selling sample inventory and receiving additional commissions for each new salesperson they discover.

Many of the Discovery toys require parental participation, Ms. Levine says. This parental involvement plays into the working parent notion of "quality time," which holds that what counts is not the number of hours spent with a child, but the quality of those hours.

"If we can get people to turn off their tv sets and get together for 30 minutes to play a game that's fun and educational—it's not a textbook—it's a way of getting the family back together," Ms. Levine says. "The biggest toy is the parent—it's the time spent and the interest."

And so, when I came home with my 20-month-old son's bag of goodies and together we placed the colorful plastic pegs into the pegboard, I couldn't help think that 25 years from now, I could boast about my son, the nuclear physicist. —C.S.T.

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their children, although tots also can follow along solo with a taped recording.

Additionally, in a joint venture with Walt Disney Productions, this year the toy company will introduce Wuzzles, a collection of plush animals, each with its own personality and accompanied by a book parents can read to children. "Wuzzles is a conscious effort to make more than six stuffed animals," Mr. Carosi says. They stimulate a fun, yet instructional, experience in which both parent and child can participate, he says.

Hasbro Bradley also is offering preschoolers toys that feature licensed characters. While such licensing has played a crucial role in the over-all toy industry, it's not as significant a factor in the preschool arena. But it doesn't hurt to start young, marketers say. "Licensed products have a lot of recognition, and to that degree, they are important, because maybe the child will play with the [toy] longer," Mr. Carosi says.

Others regard preschool product licensing as an extension of the designer-name phenomenon, which has its greatest followers among the young, urban top-sider society. "A parent may think a familiar name means a quality product and will buy it to keep the kid happy, because they feel guilty about not spending time with him or her," says Steve Smith, editor-in-chief, *Toy & Hobby World*.

Because today's toys promise not only to produce ingenious offspring, but also to ease parental guilt, the amount of money spent on toys is substantial. "Parents who aren't home feel less guilty if they buy a super toy," Ms. Boehm says. In 1983, parents spent an average of \$165 a year on toys for a first-born child 3 years old and younger, according to the NPD Group, a research consulting company, Port Washington, N.Y.

With the advent of electronic and video toys, which appeal to the yuppie parent's quest for the best state-of-the-art products, prices have changed radically, according to Mr. Smith. "Consumers are used to paying \$100 for a video-game system and another \$30 for a hot game cartridge, so when a toy costs \$25 or \$30, they might blink an eye, but they'll pay it."

Under the Spinnaker label, for example, Fisher-Price markets preschool educational software—retailing for about \$25—for 3 to 6-year-olds. "As preschoolers get older, parents are concerned about getting the right tools. They want to give their children no less than what their friends have to practice preschool skills," says Sandy Danon, vp-marketing, East Aurora, N.Y.-based Fisher-Price, the No. 1 infant toy marketer with a 26% share.

In nonelectronic products, price is more of a factor, marketers say, especially for infant toys, which lose their appeal once skills are acquired and challenges are met. As a consequence, Ms. Danon says, toys that cost less than \$10 sell best. If a toy has a longer life and the potential to grow with the

child's skills, she says, parents will go beyond single-digit prices.

For example, Fisher-Price's Discovery Cottage, which retails for about \$15, is designed for a child 9 months and older. The cottage grows with the child, Ms. Danon says. "The young child will find elements in it to finger and shake," she says. "As the child becomes more aware of controlling his environment, he will begin to open its doors, lift the roof up and put the figures into the cottage."

The toy also provides an interesting twist on the quality time theme, encouraging not only time together with tots but also time apart. "Whether mom is home or works, she still wants time to herself. Hence, the more money that's put into a product, the more extended play value there is, because you get what you pay for—a toy that entertains, lets a child play by himself and provides more interactive play," Ms. Danon says.

As part of their sophistication, parents are looking at things from points of view other than their own—namely, their children's. Realizing this, Fisher-Price, for example, markets a crib mobile that is "designed from a baby's point of view," Ms. Danon says, with animals positioned face-down, staring at baby. "It's not overly attractive," she says, "but it makes a lot of sense. The other mobiles may look gorgeous, but this new mobile develops tracking."

Meanwhile, Fisher-Price, which has increased its ad budget about 40%, is looking "for ways to communicate what its products do." Today's mothers are too savvy to be influenced by advertising, Ms. Danon says.

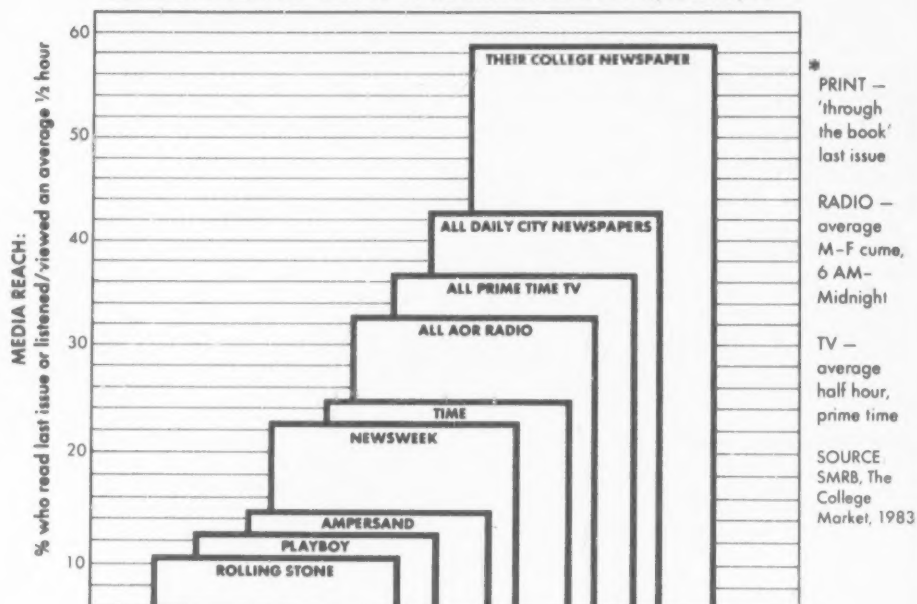
Fisher-Price believes its 53-year-old heritage is its best selling tool. The company recently banked on that history when it entered other juvenile product segments. Along with toys, it markets such products as changing tables and highchairs and children's clothing, although it has had difficulty in the latter segment. Its highchair is No. 1 in the industry, Ms. Danon says, revealing "how strong the Fisher-Price name is."

Hasbro Bradley also is pushing company credibility, sponsoring "Mother's Minutes," 60-second infomercials featuring "Good Morning America" co-host Joan Lunden. Mr. Carosi says such spots, produced by Michael Krauss Productions, are designed with the baby boom parent in mind. "These baby boomers are more cosmopolitan [and] travel more. Their own parents aren't readily accessible anymore for them to ask questions. Our commercials are a way to get information to them."

So, at a time when upscale parents are traversing the globe, pursuing their career goals, toy manufacturers are going beyond their role as marketers of playthings, assuming a position as child development expert. So the next time Tommy is giving you trouble or struggling with his ABCs, send him to the new family counselor, Dr. Fisher-Price or Dr. Hasbro Bradley.

College Media 101.

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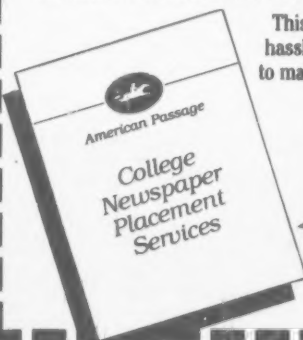
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Diaper services unwrapping market potential

By Laurie Freeman

It's the middle of the night and Baby Jane is wailing. Dad stumbles to the nursery, turns on the light and discovers, to his horror, that there are no diapers.

"If a family has a diaper service, chances are they would never run out of diapers. And if they need more, they just call and request them," says Mary Hilton, owner of Grand Rapids, Mich.-based Cottontails, which also has facilities in Kalamazoo, Mich., and the Chicago area.

Laurie Freeman, a reporter in the Chicago bureau of *Ad Age* who covers the paper goods industry, often discusses the underpinnings of the diaper business.

Yes, diaper service companies, such as Baby's Perfect Dy Dee Wash, Tidee Didee and Cottontails, once thought to have disappeared after the introduction of disposable diapers in the 1960s, are back in force after undergoing nearly two decades of decline and consolidation. The diaper services of the 1980s aggressively are seeking customers and sweetening the pail by providing more than a weekly delivery of fresh diapers.

Although diaper service owners concede they'll never win back the top spot from disposable diapers, which garner more than two-thirds of the nation's diaper sales, they believe they can expand their market share.

"Most households maintain an inventory of cloth diapers, whether they have purchased them or they use a diaper service. Many families now use cloth and disposables interchangeably," says Arthur V. Boyce Jr., director-marketing, Kendall Co., Boston, marketers of the Curly line of baby products. About 98% of all households using diapers use disposables, while 80% use cloth and disposables and only 2% use only cloth, he says.

According to Philadelphia-based National Institute of Infant Services, diaper services'

market penetration is 12% to 20%, about equal to their market share before disposables were introduced. The NIIIS estimates cloth diaper sales reach \$200 million annually.

While one-time sales of cloth diapers have jumped, diaper services have kept pace. The number of diaper service customers

of a return to "naturals."

Cloth diapers are resurging "because they're made of natural cotton," he says. "With the increase in natural childbirth, breast-feeding... parents want the best for their child and that includes cotton diapers. There's no substitute for cotton against a baby's skin."

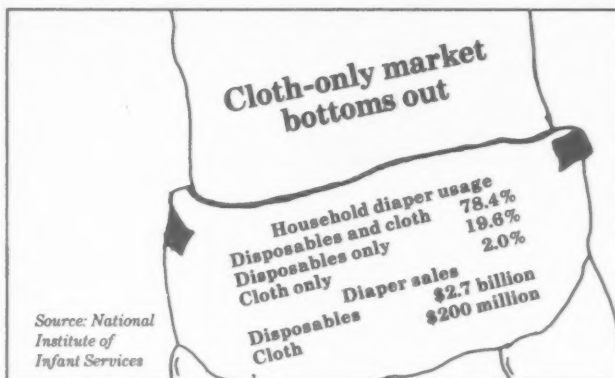
able diapers and had diaper rash problems. It's a big issue."

However, definitive research on which type is better has not been performed, says Marge Guthneck, head nurse of the pediatrics ward at the University of Wisconsin Hospitals, Madison.

"It depends on how parents use disposable diapers and how frequently they change the baby," she says. "The only bad thing about disposables is most parents can't feel the wetness through the plastic covering, so the baby may not be changed as frequently. But I've seen cases of diaper rash with cloth diapers too, because some babies are more sensitive to soaps, fabric softeners and bleach." In most hospital nurseries around the U.S., newborn babies are swaddled in disposables, Ms. Guthneck says.

Mr. Mogavero says he doesn't buy the argument that disposables don't cause diaper rash. "There are more instances of diaper rash due to the plastic covering of disposables, because the plastic heats the skin 5 to 10 degrees warmer. It cultures an environment for bacteria to form."

Because the word "service" appears in most of their names, the companies in the reusable diaper business take extra steps to satisfy new parents. To combat diaper rash, Sketchley impregnates cloth diapers with bacteria to inhibit the growth of undesirable elements. The diapers are put through a 90-minute washing cycle, with water temperatures as high as 180 degrees. "We put the diapers through seven rinses, then



has increased at an annual rate of 11%, despite a decrease in the national birth rate in the 1970s.

The recent upswing in cloth diaper sales and services is attributed in part to the baby boomlet. However, Mr. Boyce says, today's family simply prefers to have more diapers on hand. "Instead of purchasing an average of three dozen diapers per household, it's more like 3.2 dozen," he says.

Jack Mogavero, president of Sketchley Diaper Service Co., Piscataway, N.J., which operates Baby's Perfect Dy Dee Wash and 20 other diaper services, views parents who use cloth diapers and diaper services as part

Even federal regulatory agencies, such as the Consumer Product Safety Commission, agree that cloth diapers may be better for covering babies' bottoms. A November, 1982, commission "Special Report on Infant Products" says serious incidents have resulted from the "ingestion of the plastic covering on synthetic diapers, and increased incidents of baby skin rashes occurring on babies wearing artificial diapers is also significant."

"At least 20% of our new customers come to us when their babies are 13 weeks or older," Mr. Mogavero says. "Quite simply, they've started with dispos-

Disposables try to stop leakage

Babies are to diapers what fish are to water. They both live, eat and sleep in their respective environments.

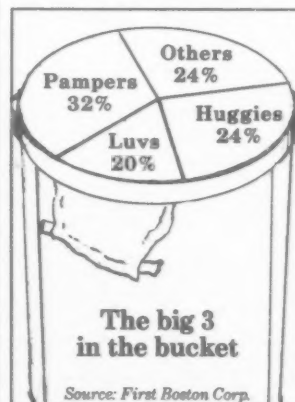
There's no denying that babies go through lots of diapers. Because disposable diapers equal annual U.S. sales of \$2.7 billion, the two big players in the disposable diaper market—Procter & Gamble and Kimberly-Clark—constantly are jockeying for position.

Unlike advertising for cloth diapers or diaper services, the disposable diaper advertising onslaught is unrelenting. It would be difficult for a new parent to ignore the estimated \$40 million Cincinnati-based P&G spends advertising its Luvs and Pampers or the \$19 million K-C puts into Huggies.

Not only do the two marketing giants try to top one another in advertising, but they also never stop racing to come up with a more comfortable, more absorbent disposable. Now, P&G is testing a "superabsorbent" Pampers in Wichita, Kan., as a means of countering K-C's Huggies marketing clout (AA, Dec. 24).

The trend is clearly toward premium disposable diapers,

such as Huggies and Luvs, and away from lower-priced brands, such as Pampers. In fact, in addition to the Wichita diaper, P&G has redesigned and up-



graded Pampers into another premium-price product currently being tested in Florida and South Georgia. To minimize Pampers' potential plundering of Luvs' market share, P&G will promote Pampers' dryness and Luvs' comfort (AA, Jan. 21).

The shift to premium brands has caused problems for both P&G and K-C, as they struggle

to retool factories and produce enough premium diapers to meet the demand. Both companies now say they're back up to full production capacity.

P&G still leads the over-all disposable diaper category with a 52% share—Pampers has 32% and Luvs 20%, according to First Boston Corp. And while 52% sounds pretty respectable, P&G once dominated the market with a 75% share.

Nenah, Wis.-based K-C's Huggies now command a solid 25% share of the market, up two share points from 1983, according to Hercules Segalas, a household goods analyst and P&G tracker with Drexel Burnham Lambert, New York. Private-label and generic disposable diaper brands hold the rest of the market, with a 23% share.

Perhaps the best known private-label diaper brand is the Cabbage Patch Kids disposable, which puts the ubiquitous bumpkins on the buns of tiny tots everywhere.

Gregory Sullivan, vp-merchandising, Riegel Textile Corp., Aiken, S.C., doesn't have a huge ad budget backing the designer diapers—\$1 million for the company's first consumer ad cam-

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they're dipped into antiseptics and softeners," Mr. Mogavero says.

Cottontails' Ms. Hilton says her service adjusts the pH balance of the laundry ingredients in the washing cycle to accommodate babies with sensitive skin. "We make adjustments: For instance, if the baby is allergic to fabric softener, we leave it out of the diapers," she says.

Many parents cite the convenience of having a diaper service as the biggest advantage over disposables. "Diaper services play up the convenience factor, that [cloth diapers] are as easy to use as disposables and there are always enough on hand," Curity's Mr. Boyce says.

"Cloth diapers are a basic baby layette item, and at least 40% of cloth diapers are bought as gifts for the new mother."

Diaper services typically start a new customer with 90 diapers a week, at a cost ranging from \$9 to \$10.25 a week. Cottontails charges 40¢ for every 10 diapers over the 90 diaper minimum, making it an attractive option for a family with a new baby and a toddler in diapers.

"The cost is comparable with disposable diapers, and in fact it costs 50% less than disposables in the long run, because with a newborn, you don't need as many diapers," Mr. Mogavero says. Although disposables for the bassinet set may cost less, as children progress from sitting to crawling to toddling, both the size and price of disposables increase, while the services provide larger sizes at no extra cost.

However, diaper service operators are the first to admit disposables have a place in today's household, especially when the family travels or if the children go to daycare centers. Now, deliveries of both cloth and dispos-

able diapers are the most popular diaper service plan.

At least one diaper service offers parents more than diapers. Mr. Mogavero is taking the "convenience" factor one step further, expanding Sketchley's service to include children's clothing. "We're offering clothing from shirts to training pants, the items which statistics say are the 10 most popular items for new moms." Unlike diapers, clothing is a one-time purchase.

Besides offering families "new and improved" cloth diapers, Cottontails features new "breathable plastic diaper covers with Velcro closings, giving the diaper a snugger fit around the baby," Ms. Hilton says. Cottontails is the only company offer-

ing pinless diaper covers.

The next logical step for most cloth diaper manufacturers seems to be producing the "ultimate pinless diaper," namely a cloth diaper with Velcro closures. Although putting Velcro on diapers is an expensive proposition, according to trade sources, a number of companies are experimenting with such diapers.

Along with product refinements, the diaper services have had to change their marketing strategies to reach women who are not only working outside their homes, but also are delaying their maternity leaves until the last possible minute. "We're using more tv and radio advertising now and have stepped up our evening and Saturday tele-

phone call solicitations," Mr. Mogavero says.

Currently, Sketchley runs three types of ads: One plays up the diaper rash issue; another talks about the convenience of diaper service for both baby and mother, and the third features two babies, one wearing disposable diapers and the other in cloth. "The one in plastic says 'I have diaper rash,' and the other baby asks, 'What's a rash?'" Mr. Mogavero says. MacNamara, Clapp & Kline, New York, has the Sketchley account.

Cottontails handles its advertising in-house, using mainly direct mailings to expectant couples and scattered newspaper and radio ads. However, Ms. Hilton says, at least 80% of her customers are word-of-mouth

referrals.

Curity concentrates on the one-time sales of cloth diapers and places ads heavily on tv and in consumer magazines. The current campaign, prepared by HBM/Creamer, Boston, positions the diaper as the "one babies would ask for if they could talk."

Although the cloth diaper and diaper service marketers readily admit they cannot match Procter & Gamble's estimated \$40 million ad budget for Luvs and Pampers or Kimberly-Clark's \$19 million for Huggies, they say the market's big enough for both types of diapers. Says Mr. Boyce: "The years of rapid contraction are over. We're all in the business for the long term."

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paign via Richard & Edward's, New York. But he is convinced Cabbage Patch diapers will catch on in the Sunbelt, where babies are more likely to run around with nothing on except their diapers.

He does not say that babies will wear Cabbage Patch diapers or nothing at all, however. "Cabbage Patch diapers can be used as an alternative to plain, premium diapers," Mr. Sullivan says. "I don't expect every diaper change will be with a printed diaper."

Premium diapers are the hot item. "As a category, premiums continue to show the strongest growth. However, [share] gains aren't going to be as spectacular as in the 1970s," says Dick Auchter, Kimberly-Clark product manager-infant care products. The reason behind this is the softening of the baby boom-let.

"The number of babies born hasn't changed all that much from a few years ago, but the percentage of diaper changes per baby has increased," he says.

So until they can figure out a fool-proof way to make babies soil them faster, diaper marketers are going to continue upgrading babies' underwear and charging parents more per change at the same time. —L.F.

For-profit centers open doors to daycare

By Margaret LeRoux

Less than a decade ago, most working parents experienced guilt when leaving their children in a daycare center. Daycare was seen as being custodial at best, with images of lethargic children clustered around a tv set or compounds of crying kids in cribs haunting many mothers' working hours. For many, yesterday's fears are still very real.

But educational programing for pint-size students and savvy marketing, positioning daycare as a positive social and learning experience, is winning customers despite frightening headlines concerning child abuse. "Daycare had a negative image for such a long time," says Kathy Quinn, vp-advertising and marketing for Fox Daycare, Chicago. "Now the business is really taking off."

Vivian Cadden, editor of *Working Mother*, says, "Look in the Yellow Pages under 'daycare' in any major city in the U.S. and you'll find page upon page of ads. Ten years ago you'd have found maybe a single page." Even Fremont, Mich.-based Gerber Products Co. is getting into childcare, having acquired Palo Alto Educational System, the seventh largest U.S. daycare chain.

Margaret LeRoux, a frequent contributor to *Special Report* and author of a number of articles on daycare, is the mother of Mark, 4, and Emily, 5 months.

Although the growing number of working parents has caused the industry to boom, the for-profit daycare center chains barely have scratched the market's potential. The U.S. Census Bureau indicates that 40.2% of working parents send their children to a friend's or family member's home, 30.6% arrange to have a care-giver come to their home, 14.8% use a daycare center, 9.1% bring their children to a job-based center and 5.3% make other arrangements.

"Our market represents only about 15% of the total number of kids whose parents are working," says Rob Hartley, vp-marketing for Montgomery, Ala.-based Kinder-Care Learning Centers, the largest for-profit daycare chain. Despite the limited market penetration, sophisticated, center-based baby sitting is good business. Kinder-Care increased its revenues 180% during the past five years, from \$57 million in 1980 to \$160 million at the end of fiscal 1984.

La Petite Academy, headquartered in Kansas City, Mo., and a far second to Kinder-Care, experienced 25% annual revenue increases for the past three years. Revenues for the third quarter of 1984, \$16.7 million, are up 35% over the similar period in 1983.

A *Working Mother* survey found the average weekly cost for daycare in the U.S. to be \$53. Twelve per cent of the 2,000 survey respondents say they pay between \$61 and \$80 weekly.

The women's responses about daycare costs are very interesting, Ms. Cadden says. "They clearly see it as their expense, not a family expense. Some of the women wrote, 'Daycare eats up a big chunk of my salary.' Few of them look on it as their husband's expense too."

Daycare chains are targeting two-income, upwardly mobile parents who harbor similar ambitions for their children. These parents can afford to demand more than baby sitting, and most daycare centers meet those demands.

"I could open a daycare center called 'Yuppie Daycare,' charge top dollar and fill it within

weeks to 12 years," Mr. Hartley says, "Children in our centers scored much higher than the national average in reading readiness tests."

To answer convenience and safety concerns, Kinder-Care targets parents who live within a three-mile radius of its new centers with direct mail. The campaign, designed by Ogilvy &

such as *Working Mother*. The ads say children are "encouraged to learn at their own speed, without pressure." However, each center follows an identical educational program. On any given day, the same activities are occurring at each of the more than 900 Kinder-Care centers.

La Petite Academy markets a "learning for living" program based on the Montessori method, according to Robert Rodriguez, vp-operations. Besides Montessori-style toys, La Petite's centers feature large, open classrooms with separate areas that cover life and learning situations. Some of these include the practical life—a child-sized play kitchen—language arts, mathematical and sensorial awareness. Computers also are standard equipment at La Petite centers.

Some early childhood education experts object to Kinder-Care's and La Petite's mass market approach. "Each individual kid deserves a program suited for him or her," says Ms. Fanjul, a former daycare center director and private elementary school founder.

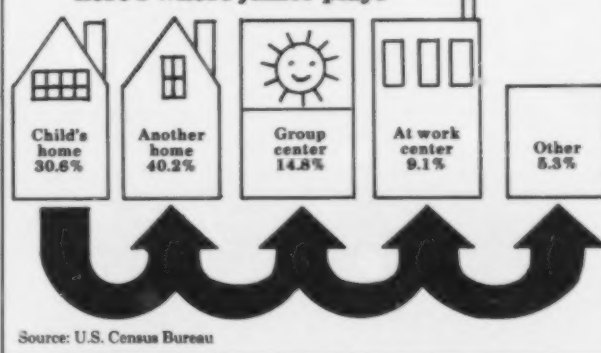
"Mass-marketed programs can't consider the range of development you'll find in a room full of 3 and 4-year-olds," she says. "The kids will be bored if they're beyond the program and angry and frustrated if the program is beyond them."

While not contesting their success, Ms. Fanjul says, chains such as Kinder-Care are "marketing human services like they are hamburgers."

Kinder-Care's Mr. Hartley considers the comparison with fast-food chains to be "a compliment. We're consistent and clean. Parents who move or are transferred to another city know they'll be getting the same program for their kids at Kinder-Care centers."

(Continued on Page 32)

When the parents are away,
here's where junior plays



days," says Stephanie Fanjul, a daycare consultant in Research Triangle Park, N.C. Working with corporate clients to find daycare for their employees' children, Ms. Fanjul says she continually is surprised at the demand for daycare. Ms. Cadden agrees, saying, "It's frightening how fast new centers fill up."

To attract the offspring of yuppie parents, daycare chains are using ads and direct mail to market "learning experiences" in a safe environment. With brightly colored graphics, brochures portray smiling children playing games that teach prereading and premath skills, which their parents hope will give their offspring a competitive edge in school.

Kinder-Care advertises its "learning ladder," designed to "meet your child's needs from 6

Mather-Atlanta, promotes the chain's activities that "make learning fun" and invites parents to visit Kinder-Care and enter a sweepstakes offering a \$40,000 college scholarship grand prize. In some markets, children can attend Kinder-Care for a week free. The campaign increased the chain's revenues \$300,000 a week, according to Mr. Hartley.

"We did a lot of research into what kind of message about daycare appealed to working parents," he says, "and concluded it was important to show that daycare was the closest thing to a mother's love. We looked at terms like 'safe,' 'secure' and different ways of saying 'mother's love.'"

Kinder-Care ads are placed in newspapers in communities where new centers are opening and nationally in publications

Selecting a school

The following observations are the result of Margaret LeRoux's visits to three nursery schools and two daycare centers in Chapel Hill, N.C. Some were locally owned and operated non-profit centers; others were part of national daycare chains.

Buying daycare is like buying a house. There are important considerations such as location and price, but when it comes to making a choice, a lot of subjective factors come into play.

Like buying a house, selecting daycare is one of the most stressful experiences a parent can have. Once your search begins, you quickly learn that enough good daycare simply is not available.

I remember getting up at dawn to stand in line for places on a waiting list at one of the better nursery schools in our town. Classes for this school were filled nine months before

the sessions started. Another school in town used to put prospective students on a waiting list before they were born, but discontinued the practice when the list of petitioning fetuses became too long.

Visiting daycare centers and nursery schools is also like inspecting houses. Some you love or hate on sight; in others you discover things that gratify or horrify you.

In one nursery school I saw a 4-year-old girl sitting on a chair in the hall outside her classroom. She was being punished for biting another child, the director told me.

None of the other schools or centers I visited interpreted this "time out" method of discipline so strictly. Instead, I frequently saw teachers quietly but firmly redirect children to different activities when arguments occurred. I saw hugs given freely by teachers, and I saw children

who seemed genuinely happy in their surroundings.

In another daycare center, the children seemed to be doing their best to dispel the center's advertising of its thoughtful, orderly activities. Some of them were using the Montessori-style blocks as make-believe guns, "shooting" their playmates.

At still another center, I was dismayed to see the baby room arrayed in rows of cribs, with only two staff members caring for 12 infants. I wondered about the cuddling and stimulation touted in the center's ads. From what I saw, when a baby cried, the primary attention it received from a care-giver was to have a pacifier put in its mouth.

That's when I decided that how well a daycare center is regulated by the state is more important than its advertising. In North Carolina, a center needs only one adult care-giver for every 12 children between the

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Hospitals deliver options in birthing care

By Lori Kesler

Every year thousands of female teachers plan their babies' births to coincide with their summer vacations. Every year more women executives install nurseries in their offices—or computers in their homes—so they can work and nurture at the same time.

Women are coping—some rather unconventionally—with their transition from spouse and worker to the new role of spouse, worker and mother. For example, a pregnant city editor timed her labor contractions from her newsroom desk and dashed to the hospital right after the five-star deadline.

These are the new mothers of the 1980s. At least some of them.

Not every expectant mother these days claims to be a puppie—pregnant urban professional.

Lori Kesler, an *Ad Age* correspondent and frequent contributor to Special Report, has tested her hospital's labor and delivery services first-hand on two occasions.

Many, in fact, are not high-powered career trackers. But make no mistake about it, today's new mother is a different breed from her female forebears.

In addition to generally being older and more affluent and tending to work outside of the home, today's pregnant woman is accustomed to taking charge of her affairs. Because many have waited to have children and meticulously planned their pregnancies, they know exactly what they want in obstetrical and hospital labor and delivery services.

"She's really almost militant about wanting to control the birthing experience," says Daniel Beckham, president of Health Market, an Arlington Heights, Ill.-based medical marketing consultancy. "There's a much greater reluctance to let the physician direct the show."

More than a decade ago, pregnant women—newly conscious of their rights as

healthcare consumers—began demanding that hospitals and doctors treat them and their



Save on delivery charges.

St. Helena

Price has been an important part of obstetrics advertising.

babies as participating members of the labor-and-delivery team. The wing-tipped and green-smocked members of that team initially regarded this idea with more than a little skepticism, but many have become believers.

Along the way, hospital administrators discovered that birth-and-baby services comprise one segment of their business that is bought by an enthusiastic market. Pregnant mothers may be the only patients who look forward to their trips to the hospital.

Then, too, a hospital's obstetrics unit can serve as a "window to the community," Mr. Beckham says. "A link forged with a family at the time of a baby's birth can last a lifetime."

Now, with many hospitals struggling to keep their beds full and revenues rolling, the business of attracting new patients has taken on a special urgency. Most cities have far

too many hospital beds; one report predicts 1,000 of the nation's 7,000 hospitals will close their doors before 1990.

The delivery market—unlike most medical specialties—tends to be consumer-driven, playing by the traditional rules of supply and demand. Hospital officials admit they are not accustomed to dealing with fast-changing trends and fickle consumer tastes. Nevertheless, most are scrambling to learn the new rules because they know those who fail to play the game eventually will lose.

"The birth business has gotten very competitive," Mr. Beckham says. "Women often choose a hospital and then arrange to go to one of the doctors on staff," rather than research the doctor first and the hospital later.

"Some shop around for a hospital even before they become pregnant," says Carol Seibold, an account supervisor at Wexler & Shalek, Los Angeles, which handles advertising for National Medical Enterprises, a Los Angeles-based hospital corporation.

According to research studies,

Competition pushes privacy, personal service

St. Joseph's Hospital, a 132-year-old Catholic hospital, has been in the birth business in St. Paul, Minn., almost long enough to deliver the state's first citizen. But when its market share dropped dramatically in the past decade, hospital administrators found age does not mean much in today's baby-bearing market.

Partly because of competition from health maintenance organiza-

tions and partly because the hospital simply hadn't kept up with the times, administrators decided this old hospital had to learn some new tricks. "It became clear we'd have to make some basic product line changes," says Jim Thalhuber, assistant vp-marketing.

Responding to research that indicated new mothers preferred privacy, hospital administrators decided to put every maternity patient in a private room at no extra charge. Those rooms were spruced up with some homey touches—a rocking chair here, a hanging plant there.

"We couldn't afford a major renovation," Mr. Thalhuber says. "But we could do minor things to make the rooms aesthetically more pleasing."

The hospital also instituted a "personal nurse" system designed to initiate early contact between its personnel and pregnant women. It announced that any woman planning to deliver her baby at St. Joseph's could call the hospital and be assigned a personal nurse who would counsel the woman from early pregnancy through delivery.

Finally, the hospital created a birth options list that detailed

some of the amenities available. The list included such standard options as a birthing room and a short-stay program, costing just \$700 instead of the typical three-day stay cost of \$1,129. The list also included other personalized services:

- Nurses will take photos or movies of the baby's birth;
- Lights can be dimmed or music played during labor;
- Husband or support person can stay overnight;
- Children or other family members can be present at birth.

The program was advertised on radio and in newspapers and

magazines. A free baby book was offered to anyone who called the hospital's maternity center.

Mr. Thalhuber says the three-month, \$24,000 ad campaign—designed by Arlington Heights, Ill.-based Health Market—generated 500 calls within its first six weeks, and the hospital's obstetrical patient count increased for the first time in five years.

The campaign yielded other, less statistical benefits as well. "The physicians are happy," he says. "We got lots of good media exposure. And the obstetrics staff has gotten involved in some good customer relations." —L.K.

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Daycare

(Continued from Page 30)

If Kinder-Care is a McDonald's, then the third largest chain, Evergreen, Colo.-based

Children's World, probably would consider itself a delicatessen. "Our philosophy is to provide teachers with an array of support material and give them a lot of room to design their own program," says Robert Benson, president. "We decided 15 years ago to provide high quality, developmental programs before parents were asking for them."

Because these programs push up Children's World's costs, the chain targets a more affluent parent. "Our prices have always been 4% to 5% higher than our competitors, but we've also had a utilization rate that's 5% to 20% higher," he says.

Because Children's World allows its teachers and directors more freedom in designing programs and, Mr. Benson says, offers higher pay and better benefits, "we suspect we have a lower turnover rate than our competitors." Early childhood experts say consistency is the key to bringing up well-adjusted children. If they are going to live

up to their billing as for-profit companies, many chains can't afford to invest heavily in staff salaries, which typically start at the minimum wage.

In addition, many centers must pack their houses to be cost effective. The pressures of caring for lots of tots all day for low pay often result in high care-giver turnover.

"Turnover is a real problem," Ms. Quinn at Fox Daycare says. One of the causes "is that early childhood education programs taught in colleges don't accurately reflect the childcare business," she says. "Students get into these programs because they think how cute little kids are, but cuteness is not what this business is about. It's very demanding work."

For parents, the most crucial problem with daycare is the threat of child abuse. Publicity over horrifying incidents of abuse have led parents to question their children's safety at even the most expensive and ex-

clusive centers.

Daycare chains have tried to reassure their customers; Mr. Benson says within 10 days after a case of abuse in a California daycare center was publicized, he had mailed a letter to the parents of all the children in his centers. "The letter told them how I felt and what they should be aware of in considering the issue of abuse."

"We're all appalled, of course," he says. "Yet we have a sense of being unfairly singled out. Some of the legislative remedies that have been proposed focus on the daycare industry alone."

To stem a witchhunting mentality in light of child abuse cases, most daycare chains are intensifying hiring requirements. "We have a two-step interview process that includes interviews by both the center's director and one of our regional directors," La Petite's Mr. Rodriguez says. Most chains also thoroughly check all references.

"It would be fine if we had six

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patients pick the hospital about 30% of the time and the doctor makes the primary decision the rest of the time. But that's changing. "Evidence suggests that by 1990, 60% of the patients will be making their own hospital choices," says Dennis Bolin, director-marketing for Hinsdale, Ill.-based Adventist Health System/North.

Hospitals are facing the fact

BABYTALK IS OUR FIRST LANGUAGE



DOCTORS HOSPITAL

Doctors Hospital promotes its flat fee for a normal delivery.

that providing sound medical care is no longer enough, because today's parents view their baby's birth as something more than a medical procedure. "The modern couple is buying an experience," Mr. Beckham says. "Birth is seen as a natural event, and the more a hospital does to accommodate that approach, the better it's going to do."

Education has become an almost universal preparental perk. Most hospitals now offer classes on pregnancy, childbirth and child development for mothers and fathers, brothers and sisters, even grandparents. North Fulton Medical Center in Roswell, Ga., takes its preemptive measures to the limit, providing a course for people who aren't pregnant but are thinking about having a baby.

Hospitals also are taking steps to provide a full range of birthing options. Perhaps the most important innovation is the advent of the bedroom-like birth-

ing room. Also called an alternative birthing center, this development allows an expectant mother to remain in one room throughout her stay rather than be shuffled through labor, delivery and recovery rooms.

Deborah McFarlane, assistant vp-marketing communications, National Medical Enterprises, says she frequently tours her company's 51 hospitals and finds "the alternative birthing centers are always in use. Our newer hospitals frequently put in two or three of them."

Babies born in birthing rooms usually are sent home with their mothers within 24 hours, reducing the bill. This is significant because both hospitals and consumers are talking a lot about cutting costs. The National Assn. of Birthing Centers reports that in 1982, a "normal" delivery in a free-standing birthing center cost \$801. In 1983, the national average for the cost of a "normal" hospital birth, typically including a three-day stay, cost \$1,713, Mr. Beckham says. A Caesarean section easily can double that figure because of increased surgical costs and a longer hospital stay.

Figures like these are causing employers and insurance companies to shift more of the financial burden back to consumers, who in turn are shopping for cost-efficient care. "Price is becoming an important aspect of obstetrics advertising," Wexler & Shalek's Ms. Seibold says. "People used to want the best at any cost. Now they want reasonable care at a reasonable cost."

She says several National Medical Enterprises' hospitals now advertise discount packages, which generally offer a flat fee for standard delivery and

two or three-day stays. "They don't put dollar figures in the ads, but they mention that they have package rates," she says. For example, National Medical Enterprises' Doctors Hospital in Lakewood, Cal., says for a normal pregnancy, "We throw in everything but the diapers. All at one flat fee."

National Medical Enterprises' Ms. McFarlane says every hospital's ad strategy has to be tai-

lored to community conditions. In an area where people pay hospital expenses out of their own pockets, discounting works, she says. But in upper-middle-class markets, "pricing seems to have no affect. It's the reputation and the frills people are interested in."

Ms. McFarlane says good hospital advertising targets physicians as well as patients because "ultimately the doctors are the

key players." She says most doctors like to see hospitals market their services aggressively. "It's a confidence-builder," she says, and physicians also benefit from referrals generated by hospital ads.

Most healthcare marketing experts expect hospitals to continue to move toward more retail-style marketing, but some in the industry are bucking that

(Continued on Page 34)

Pioneering pregnancy package

How do you get an expectant mother's attention? Offer her free maid service.

On Jan. 4, Glendale Heights, Ill., Community Hospital did just that when it began test marketing and advertising a maternity package that officials say eventually could be adopted by other members of the Adventist Health System, which operates 75 hospitals around the country.

The Glendale Heights program puts several maternity services into a flat-fee package. Program options and features include a birthing room delivery or traditional delivery; a 24-hour or 48-hour recovery stay; childbirth classes; a home visit from a registered nurse, and two eight-hour visits from a care assistant who does light housekeeping, simple meal preparation, baby care and household chores.

Dennis Bolin, director-marketing for Adventist Health System/North in Hinsdale, Ill., says the company's marketing research disclosed most expectant parents wanted more education, more outpatient options and lower-cost programs. "As people

become better educated, they view pregnancy less as an illness and more as a natural aspect of life," he says. "As a result, they want to spend less time in the hospital."

Consumers have become more



We also help with labor after baby's born.

Adventist Health System

GLENDALE HEIGHTS COMMUNITY HOSPITAL

Glendale Heights Community Hospital is offering free maid service.

cost conscious as changes in insurance coverage have left them holding a bigger chunk of the bill, Mr. Bolin says. The Glendale Heights package costs about the same as a three or four-day stay in the hospital, he says, "but it has more of the options people have asked for." Last year, the hospital discussed money in fairly straightforward terms with an ad that pictured a new baby and a headline announcing, "Outstanding reproductions at discount prices."

Mr. Bolin says several Adventist Health System hospitals have tried the direct price-oriented approach with mixed results.

"It does address the needs of consumers. They are concerned with costs," he says.

But hinging a campaign on discounting can be dangerous because many first-time parents are overwhelmed by labor and delivery costs—even at a discount. He says Glendale Heights' new home care delivery plan is a "much stronger package" because it offers a broader range of benefits.

—L.K.

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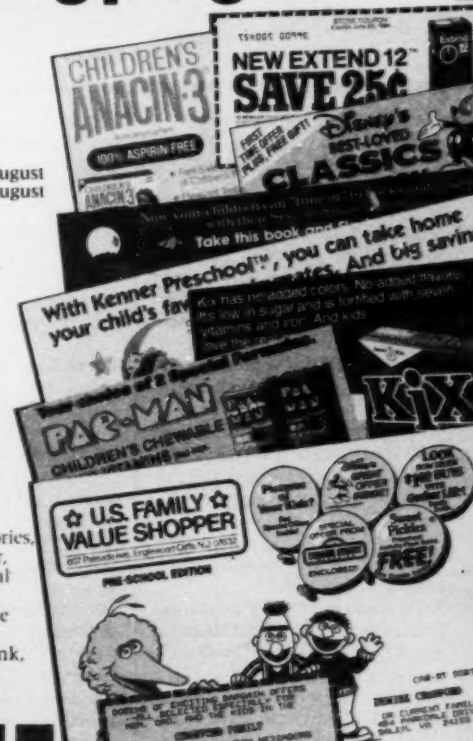
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magic questions that would reveal child abusers, but it's not that simple," Mr. Benson says.

To calm parents' concerns, most daycare chains are emphasizing an open-door policy, allowing parents to visit anytime their child is in the center. Some chains also are educating children and parents about abuse. La Petite Academy has a videotape, "Strong Kids, Safe Kids," starring Henry Winkler, while Kinder-Care is producing a film on child abuse and molesting.

The best way to reassure parents is to get them to interact with the staff, Mr. Benson says. "We encourage parents to get involved with things that are going on at the center."

Parents should be very demanding consumers of daycare, he says. "It should be a very considered decision, not influenced by flashy advertising." After all, Mr. Benson says, "Parents are entrusting their most precious possessions to the staff at a daycare center."

Selling parents on financing an education

By Marilyn Adler

When the baby is a newborn, a constant source of wonder and pride, anything seems possible—a future president, a Nobel Prize-winning astrophysicist, a superstar professional athlete. Yes, even parents of baby boys have similar dreams.

Putting money aside for their child's education is a thought that occurs to most new parents at least once. But it's all too easily lost in the more immediate demands of child-rearing and the shuffle of competing consumer priorities. This thought typically won't resurface until college catalogs are filling the family mailbox. But financial service companies are working hard—and probably must work harder—to provide parents with the reasons and products to meet future needs.

What will college education cost in the year 2003—the numbers that will be emblazoned on the letter sweaters of this year's bumper crop of babies? The experts generally are reluctant to hypothesize, perhaps because current costs already are so high.

A year at a four-year state college in 1984-1985 averages \$4,881, including tuition and fees, books and supplies, modest personal expenses, transportation, and dormitory room and board, according to Kathleen Brouder, author of the "College Cost Book 1984-85." To send junior to a four-year private college or university will cost \$9,022 on the average. Ms. Brouder declines to speculate on college costs in the year 2003, saying there are "too many imponderables to do a linear

Marilyn Adler is president of New York-based Creative Targets, which specializes in marketing strategies aimed at youths from cradle to mortar board, and mother of 11-year-old Eric.

projection with any confidence."

However, some banks and life insurance companies estimate college costs will increase 7% annually through the foreseeable future. Applying that rate to the College Board's current average costs yields a stunning set of estimated expenses for the year 2003—about \$15,400 and \$28,500 a year at public and private four-year colleges, respectively. If their children make it through school in four years, parents can expect to pay a total of about \$61,600 to \$114,000.

New parents can take some comfort in the fact that their incomes probably will increase as well. But unless salaries rise at a considerably higher rate than that of college cost increases, they may still have some trouble meeting that first-semester tuition bill.

"Most parents can't afford to finance today's costs out of current income alone," Ms. Brouder says. "They necessarily draw on savings, pay on installment or borrow money, and expect their children to borrow and to work summers and parttime."

Even that scrimping and saving often is not enough. The College Board estimates that about half of the students currently enrolled in postsecondary education or training are receiving some form of public or private financial assistance. But counting on this as a source of revenue is dangerous because federal student assistance money has leveled off in recent years, and the over-all amount of available aid has declined relative to rising college costs.

Ms. Brouder tells parents of young children to assume that they will have to shoulder the lion's share of the responsibility. "If I were the parent of a newborn," she says, "I'd count on college costing more than I ever dreamed possible. I'd hope that some kind of outside help would

be available to me when the time comes, but I'd act as though it were all going to depend on me."

Because new parents are ac-

mutual funds offer custodial accounts in accordance with the Uniform Gifts to Minors Act. The simplicity of the approach

—setting money aside until the child reaches maturity—may make some parents uneasy, fearing that the child may use the funds for something other than educational endeavors.

• Clifford Trusts are a mechanism for transferring funds from parent to child for a minimum of 10 years and one day. The interest income the trust generates can be used for college expenses while the principal eventually reverts back to the parent.

• Zero coupon or deep discount bonds are another approach, but they carry an element of risk. Because the rate of return is fixed for a long period, skyrocketing interest rates could make parents wish they hadn't tied their money into a maturing bond.

However, financial marketers have yet to develop a widely available commercial alternative for the mass market. A few financial institutions have experimented with comprehensive college planning that combines specialized financial programs with counseling on various aspects of college preparation, planning, admissions and financial aid. Others have them in the works, and new instruments and services are being explored.

The marketing of such new programs will be as critical as their scope and content. New parents are knee-deep in diaper changes and midnight feedings, agitated at the cost of doll-sized sleepers and t-shirts, concerned about the adequacy of current insurance coverage and worried about the prospect of buying a first or bigger house. Expecting them to concentrate on an expense that is 18 years down the road is expecting a lot—particularly when many are still paying off their own student loans.

Parents of newborns are more concerned about the adequacy of the local elementary and secondary schools.

If they live in an area where public schools are deteriorating, their more immediate priority can be paying private elementary school tuition. Toss in expenses for orthodonture, gymnastic lessons, Cabbage Patch Kids, the ubiquitous personal computer, and the college expenses recede further. Marketing efforts must overcome parents' tendency to "worry about it later" and persuade them they should act now.

Reaching out to parents in settings where they already are disposed to thinking about their children's education may provide one part of the answer. Meetings of school groups, parent-teacher associations or any organization that draws its membership from parents with children in the target age range provide natural settings.

Companies that offer public service information and materials, speaker panels and audiovisual presentations—providing information first, gently advertising products and services second—are likely to find receptive audiences.

Marketing efforts must educate parents on not just the importance and value of planning for their children's education, but also on financial terms and concepts that may be as new to them as their role as parents. Hitting parents, who are concerned more immediately about getting Heather to eat vegetables, with a blather of fiscal babble about bonds and IRS restrictions only will scare them.

Marketing college financial planning services should not only educate but also stimulate parents to assume the responsibility for meeting their children's eventual educational costs. Parents want to "do right" by their children—ask any parent—but they need to be coached.

Special Report: Commentary

knowledging the truth of Ms. Brouder's statement, the demand for financial planning programs to meet educational needs has grown. While helping new parents plan for their offspring's college education may be an emerging industry, birthing it has not proved simple.

The field is relatively new, and the players in it have not ar-

Despite increased demand, innovative marketing will be required to convince families they may need help and can afford help.

rived at a consensus on which financial plans and instruments are most appropriate for which types of families. Despite increased demand, innovative marketing will be required to convince many families they may need help and they can afford the help.

Some of the more popular financial instruments in use today combine college planning with tax planning, enabling parents to accumulate cash for education while reducing their tax burden:

• Most banks, brokerages and

Hospitals

(Continued from Page 33)

trend. "We're not into retailing admissions," says Ian Latham, senior vp-creative director of Ogilvy & Mather, Atlanta, which handles advertising for the East and Southeast regions of American Medical International, a Beverly Hills, Cal.-based hospital chain.

"There's pressure on hospitals and their agencies to 'turn a trick' with advertising, to produce immediate results," he says. But, Mr. Latham says, hospital advertising should be viewed as an investment in a facility's image.

To that end, Ogilvy & Mather creates service-oriented hospital ads. "The ads are part of a wellness program designed to build a relationship with the community," Mr. Latham says. "We don't measure their success by

how many enrollments they generate. They're designed to influence how people perceive the hospital."

For example, one ad for North Fulton Medical Center, headlined, "Working while you're pregnant," talks about coping with morning sickness, eating right, exercising and avoiding stress. It mentions the hospital only briefly. Another ad offers tips for baby sitters and a third illustrates some of the equipment needed for a baby's room. "We present information of a topical nature because we feel the hospital should be seen as an authority," Mr. Latham says.

However, as women become more well-versed in labor and delivery services and more opinionated on what they want those services to be, hospital administrators may find themselves asking prospective patients as many questions as their doctors are answering.

Media for bringing up baby

	% of expectant readers or those with children age 2 and under	Total circulation (000)
American Baby	100%	900 controlled 100 paid
Baby Talk	100	950 controlled
Childbirth '85 (1X)	100	1,000 controlled
Expecting (4X)	100	1,150 controlled
First Year of Life (1X)	100	3,000 controlled
Mothers Today (6X)	46	110 paid 827 controlled
Parents	30	1,675 paid
Redbook's Young Mother (3X)	100	3,900 controlled
Working Mother	17.3	550 paid
Working Parents (6X)	35	500 controlled

Percentage of readership and circulation figures supplied by each magazine. Magazines are monthly unless otherwise indicated.

The following magazines describe themselves as covering childcare, family issues or child rearing as part of their editorial content in the Standard Rate & Data Service listing of consumer magazines or the Folio 400: Better Homes & Gardens, Family Circle, Family Journal, Family Learning, Good Housekeeping, Health, the Home-maker, Ladies' Home Journal, Lady's Circle, McCall's, Ms., Redbook, Self, True Story, Woman and Woman's Day.